

RENASANT CORP  
Form S-4  
March 20, 2007  
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As filed with the Securities and Exchange Commission on March 20, 2007

Registration No. 333-

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM S-4

### REGISTRATION STATEMENT

*under*

*THE SECURITIES ACT OF 1933*

## RENASANT CORPORATION

(Exact name of registrant as specified in its charter)

**MISSISSIPPI**  
(State or other jurisdiction of  
incorporation or organization)

**6022**  
(Primary Standard Industrial  
Classification Code Number)

**64-0676974**  
(I.R.S. Employer  
Identification No.)

---

**209 Troy Street**

**Tupelo, Mississippi 38804**

**(662) 680-1001**

(Address, including zip code, and telephone number,  
including area code, of Registrant's principal executive offices)

**E. Robinson McGraw**  
**Renasant Corporation**

*Copies to:*  
**Mark A. Fullmer, Esq.**

*Copies to:*  
**Katherine M. Koops, Esq.**

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209 Troy Street

Phelps Dunbar, LLP

Powell Goldstein LLP

Tupelo, Mississippi 38804

365 Canal Street, Suite 2000

One Atlantic Center 14 Floor

(662) 680-1001

New Orleans, Louisiana 70130

1201 West Peachtree Street, N.W.

(Name, address, including zip code, and telephone number, including area code, of agent for service)

(504) 584-9324

Atlanta, Georgia 30309

(404) 572-6600

**Approximate Date of Commencement of Proposed Sale of the Securities to the Public:**

As soon as practicable after the effective date of this Registration Statement and the satisfaction or waiver of all other conditions to the merger described in the enclosed proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share	Proposed maximum aggregate offering price (2)	Amount of registration fee
Common stock, par value \$5.00 per share	3,600,000 shares	Not applicable	\$77,832,934	\$2,390

(1) This amount is based upon the number of shares of common stock anticipated to be issued upon completion of the transactions contemplated in the Agreement and Plan of Merger dated as of February 5, 2007, as amended (the Merger Agreement), by and among Renasant Corporation (Renasant), Renasant Bank, Capital Bancorp, Inc. (Capital) and Capital Bank & Trust Company.

(2) Determined pursuant to Rule 457(f)(1) under the Securities Act of 1933, as amended, solely for the purpose of calculating the registration fee, based on the fair market value of a share of Capital common stock, no par value, on March 16, 2007. Pursuant to Rule 457(f)(3), the cash portion of the consideration to be paid by Renasant pursuant to the Merger Agreement has been deducted from the fair market value of the securities to be received by Renasant or cancelled in the transaction.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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[Capital logo]

**Capital Bancorp, Inc.**

[Renasant logo] Prospectus  
of Renasant Corporation

Dear Capital Stockholders:

You are cordially invited to attend the special meeting of stockholders of Capital Bancorp, Inc. which will be held at 1808 West End Avenue, Nashville, Tennessee, on \_\_\_\_\_, June \_\_\_\_\_, 2007, at \_\_\_\_\_ local time.

At the special meeting, you will be asked to vote upon a proposal to adopt and approve a merger agreement, as amended, related articles of merger and a merger of Capital Bancorp, Inc. with and into Renasant Corporation. If the merger of Capital and Renasant is completed, all of the Capital common stock you hold will be exchanged for either (1) \$38.00 in cash, without interest, for each share of Capital common stock, (2) 1.2306 shares of Renasant common stock for each share of Capital common stock or (3) a combination consisting of cash for 40% of your common stock and shares of Renasant common stock for 60% of your common stock at the same price and exchange ratio set forth above. You will be asked to elect your form of payment. Regardless of your election, elections will be limited by the requirements that not less than 60% or more than 65% of the aggregate shares of Capital common stock owned by Capital stockholders be exchanged for Renasant common stock and that not less than 35% or more than 40% of the aggregate shares of Capital common stock owned by Capital stockholders be exchanged for cash. Thus, your election may be redesignated as described in this proxy statement/prospectus. Immediately after the merger of Capital with and into Renasant is completed, Capital Bank & Trust Company will be merged with and into Renasant Bank.

If you wish, you may exercise your dissenters' rights under Tennessee law and obtain a cash payment for the fair value of your shares rather than receive the merger consideration described above. To exercise dissenters' rights, you must not vote in favor of the adoption and approval of the merger agreement, as amended, the related articles of merger or the merger and you must strictly comply with all of the applicable requirements of Tennessee law summarized in the accompanying proxy statement/prospectus under the heading "The Merger Dissenters' Rights." A copy of the Tennessee statute regarding dissenters' rights is attached as Annex C to this proxy statement/prospectus.

Renasant common stock is listed on The NASDAQ Global Select Market under the symbol "RNST". On \_\_\_\_\_, 2007, the closing price of a share of Renasant common stock was \$ \_\_\_\_\_.

Approval of the merger requires the vote of a majority of the outstanding shares of Capital common stock in favor of the adoption and approval of the merger agreement, as amended, the related articles of merger and the merger. The proposed merger is discussed in detail in the accompanying proxy statement/prospectus. We encourage you to read this entire document carefully. You can also obtain more information about Renasant and Capital in documents that each of them has filed with the Securities and Exchange Commission.

The Capital board of directors has unanimously determined that the merger agreement, as amended, the related articles of merger and the merger are in the best interests of Capital and its stockholders and Capital Bank. On behalf of your board of directors, we encourage you to vote FOR the adoption and approval of the merger agreement, as amended, the related articles of merger and the merger. Regardless of your vote, please sign and date the enclosed proxy and return it in the enclosed envelope to make sure that your vote is counted.

/s/ R. Rick Hart  
President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the shares of common stock to be issued by Renasant in the merger, as described in this proxy statement/prospectus, or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

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The shares of Renasant common stock to be issued in the merger are not savings or deposit accounts or other obligations of any bank or savings association or non-bank subsidiary of Renasant and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

**You should read Risk Factors beginning on page 17 for a description of the factors that may affect the value of the Renasant common stock to be issued in the merger and other risk factors that should be considered with respect to the merger.**

This proxy statement/prospectus is dated \_\_\_\_\_, 2007, and it is first being mailed to Capital stockholders, along with the enclosed form of proxy card, on or about \_\_\_\_\_, 2007.

**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Renasant and Capital from documents that Renasant and Capital, respectively, have filed with the Securities and Exchange Commission and that have not been included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference in this proxy statement/prospectus, other than exhibits to those documents, by requesting them in writing or by telephone from Renasant or Capital, as the case may be, at the following addresses:

Renasant Corporation  
209 Troy Street  
Tupelo, Mississippi 38804  
Attention: Stuart R. Johnson  
Telephone: (662) 680-1001

Capital Bancorp, Inc.  
1808 West End Avenue  
Nashville, Tennessee 37203  
Attention: Sally P. Kimble  
Telephone: (615) 327-9000

**IF YOU WOULD LIKE TO REQUEST DOCUMENTS, PLEASE DO SO PRIOR TO \_\_\_\_\_, 2007 [5 business days before meeting date], IN ORDER TO RECEIVE THEM BEFORE THE SPECIAL MEETING.**

See Where You Can Find More Information on page \_\_\_\_\_ of this proxy statement/prospectus for more information about the documents referred to in this proxy statement/prospectus.

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Annex A-1	Agreement and Plan of Merger, dated as of February 5, 2007, by and among Renasant Corporation, Renasant Bank, Capital Bancorp, Inc. and Capital Bank & Trust Company, as amended by Amendment Number One to Agreement and Plan of Merger dated as of March 2, 2007 by and among Renasant Corporation, Renasant Bank, Capital Bancorp, Inc. and Capital Bank & Trust Company
Annex A-2	Articles of Merger by and among Renasant Corporation and Capital Bancorp, Inc. and Plan of Merger
Annex B	Opinion of Hovde Financial, LLC
Annex C	Chapter 23 of the Tennessee Business Corporation Act

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**[Capital Bancorp, Inc. letterhead]**

Capital Bancorp, Inc.

Notice of Special Meeting

, 2007

To the Stockholders of Capital Bancorp, Inc.:

A special meeting of stockholders of Capital Bancorp, Inc. will be held at 1808 West End Avenue, Nashville, Tennessee, on \_\_\_\_\_, June \_\_\_\_\_, 2007 at \_\_\_\_\_ local time, and at any adjournments or postponements thereof, to consider and act upon the following matters:

To consider and vote upon a proposal to approve and adopt (a) the Agreement and Plan of Merger dated as of February 5, 2007, by and among Capital Bancorp, Inc., Capital Bank & Trust Company, Renasant Corporation and Renasant Bank, a wholly-owned subsidiary of Renasant, as amended, pursuant to which, upon satisfaction of specified conditions, Capital Bancorp, Inc. will merge with and into Renasant Corporation, with Renasant surviving the merger, (b) the related articles of merger contemplated by the Agreement and Plan of Merger and (c) the merger of Capital with and into Renasant.

Any other business properly brought before the special meeting or any adjournment or postponement thereof.

As a result of the merger, you, as a holder of Capital common stock, will have the right to receive for all of your shares of Capital common stock either (1) \$38.00 in cash per share of Capital common stock, (2) 1.2306 shares of Renasant common stock per share of Capital common stock or (3) a combination consisting of cash for 40% of your Capital common stock and shares of Renasant common stock for 60% of your Capital common stock at the same price and exchange ratio set forth above. You will be asked to elect your form of payment. Regardless of your election, however, elections will be limited by the requirements that not less than 60% or more than 65% of the aggregate shares of Capital common stock owned by Capital stockholders be exchanged for Renasant common stock and not less than 35% or more than 40% of the aggregate shares of Capital common stock owned by Capital stockholders be exchanged for cash. Accordingly, your election may be redesignated as described under the heading The Merger Redesignation Procedures on pages \_\_\_\_\_ to \_\_\_\_\_ of the accompanying proxy statement/prospectus.

You may exercise dissenters' rights for your shares if the merger is completed, but only if you do not vote in favor of the merger agreement, as amended, the related articles of merger and the merger, and you otherwise comply with the applicable statutory provisions of Tennessee law. By properly exercising such dissenters' rights, you will be entitled to receive payment in cash equal to the fair value of your shares, as determined in accordance with Tennessee law, in lieu of the right to receive either the cash, shares of Renasant common stock or the combination of cash and shares of Renasant common stock in exchange for each share of Capital common stock as described above. A copy of these provisions is included as Annex C to the accompanying proxy statement/prospectus. You should also review the information included under the heading The Merger Dissenters' Rights on page \_\_\_\_\_ of the accompanying proxy statement/prospectus.

The Capital board of directors has fixed the close of business on \_\_\_\_\_, 2007 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Therefore, only stockholders of record on \_\_\_\_\_, 2007 are entitled to notice of, and to vote at, the special meeting. A list of stockholders entitled to vote will be available at Capital's principal office located at 1808 West End Avenue, Nashville, Tennessee beginning two business days after the date of this notice for the special meeting through the date of the special meeting (including at the special meeting itself) for examination by any stockholder, his agent or his attorney.

The accompanying proxy statement/prospectus describes the terms and conditions of the merger agreement, as amended, and includes the complete text of the merger agreement, as amended, and the related articles of merger as Annex A-1 and Annex A-2, respectively. We urge you to read the enclosed materials carefully for a complete description of the merger agreement, as amended, the articles of merger, and the merger. The accompanying proxy statement/prospectus forms a part of this notice.

Your vote is very important. The merger agreement, as amended, the related articles of merger and the merger must be adopted and approved by the holders of a majority of the outstanding shares of Capital common stock. Even if you plan to attend the special meeting, we urge you to

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submit a valid proxy promptly so that your shares will be voted.

Your board of directors unanimously recommends that you vote **FOR** the adoption and approval of the merger agreement, as amended, the related articles of merger and the merger.

By Order of the Board of Directors

/s/ John W. Gregory, Jr.  
Secretary

, 2007  
Nashville, Tennessee



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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This proxy statement/prospectus and the documents that are made part of this proxy statement/prospectus by reference to other documents filed with the Securities and Exchange Commission include various forward-looking statements about Renasant Corporation and Capital Bancorp, Inc. that are subject to risks and uncertainties. Forward-looking statements include information concerning future financial performance, business strategy, projected plans and objectives of Renasant and Capital.

Statements preceded by, followed by or that otherwise include the words believes, expects, anticipates, intends, estimates, plans, may increase, may fluctuate, will likely result and similar expressions, or future or conditional verbs such as will, should, would and could are generally forward-looking in nature and not historical facts. You should understand that the following important factors, in addition to those discussed elsewhere in this proxy statement/prospectus and in the documents which are incorporated by reference into this proxy statement/prospectus, could affect the future results of the combined company following the merger, and could cause results to differ materially from those expressed in such forward-looking statements:

the effect of economic conditions and interest rates on a national, regional or international basis;

the performance of Renasant's businesses following the merger;

the timing of the implementation of changes in operations to achieve enhanced earnings or effect cost savings;

the ability of Renasant and Capital to successfully integrate their operations, the compatibility of the operating systems of the combining companies, and the degree to which existing administrative and back-office functions and costs of Renasant and Capital are complementary or redundant;

the ability to satisfy all conditions precedent to the merger (including stockholder and various regulatory approvals);

competitive pressures in the consumer finance, commercial finance, insurance, financial services, asset management, retail banking, mortgage lending and auto lending industries;

the financial resources of, and products available to, competitors;

changes in laws and regulations, including changes in accounting standards;

changes in policy by regulatory agencies;

changes in the securities and foreign exchange markets;

opportunities that may be presented to and pursued by the combined company following the merger;

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Renasant's potential growth, including its entrance or expansion into new markets, and the need for sufficient capital to support that growth;

changes in the quality or composition of Renasant's loan or investment portfolios, including adverse developments in borrower industries or in the repayment ability of individual borrowers;

an insufficient allowance for loan losses as a result of inaccurate assumptions;

the strength of the economies in our target markets, as well as general economic, market or business conditions;

changes in demand for loan products and financial services;

concentration of credit exposure;

changes in interest rates, yield curves and interest rate spread relationship; and

other circumstances, many of which are beyond Renasant's control.

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Management of each of Renasant and Capital believes the forward-looking statements about Renasant and Capital, as applicable, are reasonable. However, you should not place undue reliance on them. Any forward- looking statements in the proxy statement/prospectus are not guarantees of future performance. They involve risks, uncertainties and assumptions, and actual results, developments and business decisions may differ from those contemplated by those forward-looking statements. Many of the factors that will determine these results are beyond Renasant's and Capital's ability to control or predict. Renasant and Capital disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

***Q: What is the proposed transaction for which I am being asked to vote?***

A: You are being asked to vote to adopt and approve an agreement and plan of merger by and among Renasant, Renasant Bank, Capital and Capital Bank, as amended, the related articles of merger and the merger contemplated thereby. Throughout the remainder of this proxy statement/prospectus, we refer to the agreement and plan of merger, as amended, and the related articles of merger as the merger agreement. In the merger, Capital will be merged with and into Renasant, and Renasant will be the surviving corporation and will continue its corporate existence under Mississippi law. Immediately thereafter, Capital Bank will merge with and into Renasant Bank, and Renasant Bank will be the surviving bank and will continue its corporate existence under Mississippi law. References to the merger refer to the merger of Capital with and into Renasant, unless the context clearly indicates otherwise.

***Q: Who is Renasant?***

A: Renasant Corporation is a Mississippi corporation incorporated in 1982 that is the owner of the fourth largest bank headquartered in Mississippi, Renasant Bank, a Mississippi-chartered bank incorporated in 1904. Renasant and Renasant Bank are headquartered in Tupelo, Mississippi. Through Renasant Bank, Renasant also owns The Renasant Insurance Agency. As of December 31, 2006, Renasant had total assets of approximately \$2.6 billion, deposits of approximately \$2.1 billion and total shareholders' equity of approximately \$252 million. Renasant operates 63 banking (including loan production), financial services, mortgage and insurance offices in 38 cities throughout north and north central Mississippi, west and middle Tennessee and north and north central Alabama. Renasant Bank's deposits are insured by the Federal Deposit Insurance Corporation.

***Q: What will I receive in exchange for my Capital common stock in the merger?***

A: In the merger, all of your shares of Capital common stock will be converted into the right to receive either (1) \$38.00 in cash for each share of Capital common stock, (2) 1.2306 shares of Renasant common stock for each share of Capital common stock or (3) a combination of cash for 40% of your shares of Capital common stock and Renasant common stock for 60% of your shares of Capital common stock at the same price and exchange ratio set forth above. Please note that the market value of Renasant common stock fluctuates. Because of this fluctuation, if you elect to receive Renasant common stock for all or a portion of your shares of Capital common stock (as described in the next question and answer), the value of the Renasant common stock you receive may or may not be equivalent to the amount of cash that you would have received if you elected to exchange your Capital common stock for cash.

If the average of the per share closing price of Renasant common stock on The NASDAQ Global Select Market for the 20 consecutive full trading days ending on (and including) the eighth business day prior to the completion of the merger is less than \$26.25 and the decline in the Renasant common stock over the measurement period described in the merger agreement exceeds by 15% or more the decline in the NASDAQ Bank Index over the measurement period, the exchange ratio of 1.2306 may be adjusted by Renasant if Capital elects to terminate the merger agreement.

On March 14, 2007, the average of the per share closing prices of Renasant common stock on The NASDAQ Global Select Market for the preceding 20 consecutive full trading days was less than \$26.25 and the decline in Renasant common stock over the measurement period described in the merger agreement exceeded by 15% the decline in the NASDAQ Bank Index over the measurement period. As a result, Capital could have elected on March 14, 2007 to terminate the merger agreement. If Capital had elected to terminate the merger agreement, Renasant, in its sole discretion, could have elected to adjust the exchange ratio to 1.2801 shares of Renasant common stock per share of Capital common stock, based on the closing price of Renasant common stock on March 14, 2007, which would have resulted in the issuance of approximately



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107,500 additional shares of its stock in the aggregate as merger consideration (assuming that 60% of the merger consideration was paid in Renasant common stock), which would have rendered Capital's election to terminate the merger agreement null and void.

***Q: Can I elect the type of consideration I will receive in the merger?***

A: Yes. Subject to the redesignation procedures described in this proxy statement/prospectus, you may elect to receive all cash, all shares of Renasant common stock or a combination of 40% cash and 60% Renasant common stock in exchange for your shares of Capital common stock.

Under the merger agreement, the aggregate number of shares of Capital common stock to be converted into the right to receive cash shall not be less than 35% or more than 40% of the total number of shares of Capital common stock outstanding immediately prior to the closing date of the merger (excluding shares owned by Capital, Renasant or any subsidiary of Capital or Renasant (other than in a fiduciary capacity)). The merger agreement also provides that the aggregate number of shares of Capital common stock to be converted into the right to receive shares of Renasant common stock shall not be less than 60% or more than 65% of the total number of shares of Capital common stock outstanding immediately prior to the closing date of the merger (excluding shares owned by Capital, Renasant or any subsidiary of Capital or Renasant (other than in a fiduciary capacity)).

***Q: What happens if the number of shares elected to be converted into cash exceeds 40% of the outstanding shares of Capital common stock or if the number of shares elected to be converted into shares of Renasant common stock exceeds 65% of the outstanding shares of Capital common stock?***

A: If the aggregate number of shares elected to be converted into cash exceeds 40% of the outstanding shares of Capital common stock, then shares of Capital common stock for which a cash election was made will be redesignated on a pro rata basis into shares to be converted into shares of Renasant common stock so that the total number of Capital shares to be converted into cash does not exceed 40% of the outstanding shares of Capital common stock.

If the aggregate number of shares elected to be converted into shares of Renasant common stock exceeds 65% of the outstanding shares of Capital common stock, then shares of Capital common stock for which a stock election was made will be redesignated on a pro rata basis into shares to be converted into cash so that the total number of Capital shares to be converted into shares of Renasant common stock does not exceed 65% of the outstanding shares of Capital common stock.

Holders of shares of Capital common stock who elect to receive a combination of cash for 40% of their Capital common stock and shares of Renasant common stock for 60% of their Capital common stock are not subject to these redesignation procedures. Also, a holder who has elected to receive cash for all of his or her shares of Capital common stock and would receive less than 10 shares of Renasant common stock if his or her shares were redesignated is not subject to the redesignation procedures.

***Q: If I elect to receive Renasant common stock in the merger, how many shares will I receive?***

A: Subject to the redesignation and adjustment procedures described in this proxy statement/prospectus, if you elect to receive Renasant common stock for all or a portion of your Capital common stock, you will receive 1.2306 shares of Renasant common stock for each share of Capital common stock that you own.

You will not receive any fractional shares of Renasant common stock. Instead, you will be paid cash in an amount equal to the fraction of a share of Renasant common stock otherwise issuable multiplied by the average closing price as reported by The NASDAQ Global Select Market of one share of Renasant common stock for the ten trading days immediately preceding the last trading day prior to the closing date of the merger (the closing date is described in more detail in this proxy statement/prospectus).

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For instance, if the exchange ratio is 1.2306 shares of Renasant common stock for each share of Capital stock that you own and you own 1,011 shares of Capital common stock and the ten-day average closing price of Renasant common stock is \$28.00 per share, a Capital stockholder who elects to receive Renasant common stock in exchange for all 1,011 shares of Capital common stock would receive 1,244 shares of Renasant common stock, plus \$3.82 in cash instead of a fractional share.

***Q: How do I elect the form of consideration I prefer to receive?***

A: A form of election is being mailed to you concurrently with the mailing of this proxy statement/prospectus. If your shares of Capital common stock are registered in your own name, complete and sign the form of election and send it to Registrar and Transfer Company, 10 Commerce Drive, Cranford, New Jersey 07016-3572, the exchange agent for the merger. If your shares of Capital common stock are held in the name of your nominee or other representative, such as the trustee of a trust of which you are the beneficiary, you must have such nominee or other representative submit the form of election on your behalf.

***Q: What if I do not send an election form, it is not received before the deadline or I improperly complete or sign my election form?***

A: If the exchange agent does not receive from you a properly completed and signed election form, together with certificates representing your shares of Capital common stock, before the deadline, then it will be assumed that you have elected to receive a combination of cash for 40% of your shares of Capital common stock and Renasant common stock for the remaining 60% of your shares of Capital common stock. You bear the risk of delivery and should send any election form and Capital stock certificates by mail (registered mail with proper insurance, receipt requested, is suggested) by courier, by hand or by fax, with Capital stock certificates delivered by courier or by hand, to the appropriate addresses set forth in the form of election.

***Q: When should I send in my stock certificate?***

A: If your shares of Capital common stock are registered in your name, you should send your Capital stock certificates to Registrar and Transfer Company with your completed form of election. If your shares of Capital common stock are held in the name of your nominee or other representative, such as a trust of which you are the beneficiary, you must have such nominee or other representative send your Capital stock certificates to Registrar and Transfer Company on your behalf with the form of election submitted on your behalf. Do not send in your stock certificates with your proxy.

***Q: Is there a deadline for making an election?***

A: Yes. Your completed election form and Capital stock certificates must be received by the exchange agent not later than 5:00 p.m. eastern time on June 1, 2007.

***Q: Am I entitled to dissenters' rights?***

A: Yes. If you wish, you may seek an appraisal of the fair value of your shares of Capital common stock, but only if you comply with all of the requirements of Tennessee law as described under the heading "The Merger Dissenters' Rights." Depending upon the determination of a Tennessee court, the appraised fair value of your shares of Capital common stock, which will be paid to you if you seek an appraisal, may be more than, less than, or equal to the \$38.00 per share of Capital common stock to be paid in the merger. Any holder of Capital common stock who loses his or her dissenters' rights on account of a failure to perfect or otherwise shall be deemed to have elected to receive the combination of cash and Renasant common stock described above.

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We have included a copy of Chapter 23 of the Tennessee Business Corporation Act, which addresses dissenters' rights, as Annex C to this proxy statement/prospectus.



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***Q: When and where is the special meeting?***

A: The Capital special meeting is scheduled to take place at 1808 West End Avenue, Nashville, Tennessee on \_\_\_\_\_, June \_\_\_\_\_, 2007 at local time.

***Q: Who can vote on the merger?***

A: Holders of record of Capital common stock at the close of business on \_\_\_\_\_, 2007 can vote at the special meeting. On that date, \_\_\_\_\_ shares were outstanding and entitled to vote.

***Q: What vote is required for approval?***

A: The merger agreement and the merger must be adopted and approved by a majority of the outstanding shares of Capital common stock. Therefore, if you abstain or fail to vote, it will be the same as voting against the merger agreement and the merger. If you hold your shares of Capital common stock in a broker's name (sometimes called street name or nominee name), then you must provide voting instructions to your broker. If you do not provide instructions to the broker, your shares will not be voted on any matter on which the broker does not have discretionary authority to vote, which includes the vote on the merger. A vote that is not cast for this reason is called a broker non-vote. Broker non-votes will be treated as shares present for the purpose of determining whether a quorum is present at the meeting. For purposes of the vote on the merger agreement, a broker non-vote has the same effect as a vote AGAINST the merger agreement and the merger. For purposes of the vote on any other matters properly brought at the special meeting, broker non-votes will not be counted as a vote FOR or AGAINST such matters or as an abstention on such matters.

The directors and executive officers of Capital and Capital Bank, in their capacity as stockholders rather than directors and executive officers of Capital, have agreed to vote an aggregate of \_\_\_\_\_ shares (representing approximately \_\_\_\_\_% of the outstanding shares as of the record date) in favor of the merger.

***Q: What do I need to do now?***

A: After carefully reading and considering the information contained in this proxy statement/prospectus, please complete and mail your proxy card as soon as possible so that your shares may be voted at the special meeting. Your proxy card will instruct the persons named on the proxy card to vote your shares at the special meeting as you direct. If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be voted FOR the adoption and approval of the merger agreement and the merger. If you do not vote or if you abstain, the effect will be a vote against the merger agreement and the merger. Your vote is very important. Your proxy card must be received prior to the special meeting to be held on June \_\_\_\_\_, 2007 in order to be counted.

You should also complete the form of election accompanying this proxy statement/prospectus and submit it, together with the certificates for your shares of Capital common stock, to Registrar and Transfer Company, 10 Commerce Drive, Cranford, New Jersey 07016-3572, the exchange agent for the merger. The form of election, together with the certificates for your shares of Capital common stock, must be received by the exchange agent no later than June \_\_\_\_\_, 2007 or you will be deemed to have elected to receive a combination of cash and stock in exchange for your shares of Capital common stock.

***Q: May I change my vote after I have mailed my signed proxy card?***

A: You may change your vote at any time before your proxy is voted at the special meeting. You can do this in one of three ways:

first, you can send a written notice stating that you want to revoke your proxy;

second, you can complete and submit a new proxy card bearing a later date; or

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third, if you are the record owner of your shares of Capital common stock, you can attend the Capital special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy; you must vote at the meeting. If you choose either of the first two methods, you must submit your notice of revocation or your new proxy card to:

Capital Bancorp, Inc.

1808 West End Avenue

Nashville, Tennessee 37203

Attention: John W. Gregory, Jr., Secretary

If your shares are held in the name of a broker, bank, trustee or other nominee, you should contact such person to change your vote.

***Q: If I plan to attend the Capital special meeting in person, should I still grant my proxy?***

A: Yes. Whether or not you plan to attend the special meeting, you should grant your proxy as described above. The failure of a Capital stockholder to vote in person or by proxy will have the same effect as a vote against the adoption and approval of the merger agreement. The failure to give voting instructions to your broker will have the same effect as a vote against the adoption and approval of the merger agreement.

***Q: What does Capital's board of directors recommend?***

A: Capital's board of directors has unanimously determined that the proposed merger is advisable and in the best interests of Capital and its stockholders and Capital Bank and unanimously recommends that you vote FOR the proposal to adopt and approve the merger agreement.

***Q: Who can help answer my questions?***

A: If you have any questions about the merger or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card or form of election, you should contact:

John W. Gregory, Jr.

1808 West End Avenue

Nashville, Tennessee 37203

(615) 327-9000

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**SUMMARY**

This summary highlights selected information from this proxy statement/prospectus and may not contain all the information that is important to you. For a more complete understanding of the merger and for a more complete description of the legal terms of the merger and the merger agreement, you should read this entire document carefully, as well as the additional documents to which we refer you. See *Where You Can Find More Information*. References in this summary and elsewhere in this proxy statement/prospectus to the merger are to the merger of Capital with and into Renasant, unless the context clearly indicates otherwise.

*The Companies*

**Renasant Corporation**

**209 Troy Street**

**Tupelo, Mississippi 38804**

**(662) 680-1001**

Renasant is a Mississippi corporation incorporated in 1982 that is the owner of the fourth largest bank headquartered in Mississippi, Renasant Bank, a Mississippi-chartered bank incorporated in 1904. Through Renasant Bank, Renasant is also the owner of The Renasant Insurance Agency. As of December 31, 2006, Renasant had total assets of approximately \$2.6 billion, deposits of approximately \$2.1 billion and total stockholders' equity of approximately \$252 million. Renasant operates 63 banking (including loan production), financial services, mortgage and insurance offices in 38 cities throughout north and north central Mississippi, west and middle Tennessee and north and north central Alabama. Renasant Bank's deposits are insured by the Federal Deposit Insurance Corporation.

For financial statements and a discussion of Renasant's recent results of operations, see Renasant's Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference in this proxy statement/prospectus.

**Capital Bancorp, Inc.**

**1808 West End Avenue**

**Nashville, Tennessee 37203**

**(615) 327-9000**

Capital is a Tennessee corporation incorporated in 2001 that is the sole stockholder of Capital Bank, a Tennessee banking corporation headquartered in Nashville, Tennessee. As of December 31, 2006, Capital had total assets of approximately \$564 million, deposits of approximately \$465 million and total stockholders' equity of approximately \$35 million. Capital operates seven banking offices in Franklin, Goodlettsville, Hendersonville, Hermitage and Nashville, Tennessee. The deposits of Capital Bank are insured by the Federal Deposit Insurance Corporation.

For financial statements and a discussion of Capital's recent results of operations, see Capital's Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference into this proxy statement/prospectus.

*The Merger (pages through )*

Under the terms of the merger agreement, Capital will be merged into Renasant. After the merger, Renasant will be the surviving corporation and will continue its corporate existence under Mississippi law. Immediately after the merger of Capital into Renasant, Capital Bank will be merged into Renasant Bank, with Renasant Bank surviving the merger and continuing its existence under Mississippi law. The merger agreement and the related articles of merger of Capital into Renasant are attached to this document as Annex A-1 and Annex A-2,

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respectively, and are incorporated in this proxy statement/prospectus by reference. We encourage you to read the merger agreement carefully, as it is the legal document that governs the merger.

***What You Will Receive in the Merger (pages through )***

The merger agreement provides that each share of Capital common stock (other than treasury shares, shares owned by Renasant or any of the subsidiaries of Renasant or Capital (other than in a fiduciary capacity) or by any person who has perfected dissenters' rights with respect to shares of Capital common stock) will be converted on the closing date of the merger into the right to receive the merger consideration. Subject to adjustment as provided in the merger agreement, the merger consideration is either:

cash in an amount equal to \$38.00 per share of Capital common stock, without interest;

1.2306 shares of Renasant common stock per share of Capital common stock; or

a combination of cash consideration for 40% of such holder's shares of Capital common stock and stock consideration for 60% of such holder's shares of Capital common stock at the same price and exchange ratio set forth above.

Subject to the redesignation procedures described below, as a holder of shares of Capital common stock, you may elect to receive all cash, all shares of Renasant common stock or the combination of cash and Renasant common stock described above as consideration in exchange for your shares of Capital common stock. Please note that the market value of Renasant common stock fluctuates. Because of this fluctuation, if you elect to receive Renasant common stock for all or a portion of your shares of Capital common stock, the value of the Renasant common stock you receive may or may not be equivalent to the amount of cash that you would have received if you elected to exchange your Capital common stock for cash.

You will not receive any fractional shares of Renasant common stock if you elect to receive all or a portion of the merger consideration as shares of Renasant common stock. Instead, you will be paid cash in an amount equal to the fraction of a share of Renasant common stock otherwise issuable upon conversion multiplied by the average closing price of one share of Renasant common stock as reported by The NASDAQ Global Select Market for the ten trading days immediately preceding the last trading day prior to the closing date of the merger.

If the average of the per share closing price of Renasant common stock on The NASDAQ Global Select Market for the 20 consecutive full trading days ending on (and including) the eighth business day prior to the completion of the merger is less than \$26.25 and the decline in the Renasant common stock over the measurement period described in the merger agreement exceeds by 15% or more the decline in the NASDAQ Bank Index over the measurement period, the exchange ratio of 1.2306 may be adjusted by Renasant if Capital elects to terminate the merger agreement.

On March 14, 2007, the average of the per share closing prices of Renasant common stock on The NASDAQ Global Select Market for the preceding 20 consecutive full trading days was less than \$26.25 and the decline in the Renasant common stock over the measurement period described in the merger agreement exceeded by 15% the decline in the NASDAQ Bank Index over the measurement period. As a result, Capital could have elected on March 14, 2007 to terminate the merger agreement. If Capital had elected to terminate the merger agreement, Renasant, in its sole discretion, could have elected to adjust the exchange ratio to 1.2801 shares of Renasant common stock per share of Capital common stock, based on the closing price of Renasant common stock on March 14, 2007, which would have resulted in the issuance of approximately 107,500 additional shares of its stock in the aggregate as merger consideration (assuming that 60% of the merger consideration was paid in Renasant common stock), which would have rendered Capital's election to terminate the merger agreement null and void.

***Election Procedures (pages through )***

A form of election is being mailed to you concurrently with the mailing of this proxy statement/prospectus. If your shares of Capital common stock are registered in your own name, you should complete and sign the form

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of election and send it, along with the certificates representing your shares of Capital common stock, to Registrar and Transfer Company, 10 Commerce Drive, Cranford, New Jersey 07016-3572, the exchange agent for the merger. If your shares of Capital common stock are held in the name of your nominee or other representative, such as the trustee of a trust of which you are the beneficiary, you must have such nominee or other representative submit the form of election, along with the certificates representing your shares of Capital common stock, on your behalf. The form of election, along with the certificates representing your shares of Capital common stock, must be received by the exchange agent not later than 5:00 p.m. eastern time on June 1, 2007.

If the exchange agent does not receive from you or your nominee or other representative, as applicable, a properly completed election form, along with the certificates representing your shares of Capital common stock, before June 1, 2007, then it will be assumed that you have elected to receive a combination of cash for 40% of your shares of Capital common stock and Renasant common stock for the remaining 60% of your shares of Capital common stock.

Upon receipt of the forms of election and Capital stock certificates and other materials, and subject to the payment of any transfer taxes that may arise if the merger consideration is to be paid to a person other than the person in whose name the surrendered Capital stock certificate is registered, the exchange agent, within 10 business days after the completion of the merger, will deliver to the former holder of Capital common stock the merger consideration such holder elected to receive. After the effective time, the exchange agent will also provide stock certificate transmittal materials to the holders of Capital common stock who did not submit a form of election and surrender their stock certificates. Such transmittal materials will contain instructions for surrendering the Capital stock certificates for the merger consideration.

***Redesignation Procedures (pages 10 through 11)***

The merger agreement contains redesignation procedures that may affect your election. Under the merger agreement, the number of shares of Capital common stock to be converted into the right to receive cash must not be less than 35% or more than 40% of the total number of shares of Capital common stock outstanding immediately prior to the closing date of the merger. Also, the number of shares of Capital common stock to be converted into the right to receive shares of Renasant common stock must not be less than 60% or more than 65% of the total number of shares of Capital common stock outstanding immediately prior to the closing date of the merger.

If the number of shares to be converted into the right to receive cash exceeds 40% of the outstanding shares of Capital common stock, then all shares of Capital common stock for which a cash election was made will be redesignated on a pro rata basis into a combination of shares to be converted into cash and shares to be converted into shares of Renasant common stock. Shares will be redesignated such that the total number of Capital shares converted into cash does not exceed 40% of the outstanding shares of Capital common stock.

If the number of shares to be converted into shares of Renasant common stock exceeds 65% of the outstanding shares of Capital common stock, then all shares of Capital common stock for which a stock election was made will be redesignated on a pro rata basis into a combination of shares to be converted into cash and shares to be converted into shares of Renasant common stock. Shares will be redesignated such that the total number of Capital shares exchanged for stock does not exceed 65% of the outstanding shares of Capital common stock.

Holders who chose to receive a combination of cash for 40% of their Capital common stock and shares of Renasant common stock for 60% of their Capital common stock are not subject to the redesignation procedures. Also, any holder who elected to receive cash but after the redesignation procedures would receive less than ten shares of Renasant common stock for his or her shares of Capital common stock is not subject to the redesignation procedures.

**Table of Contents*****The Special Meeting (pages through )***

The Capital special meeting will be held at 1808 West End Avenue, Nashville, Tennessee, on , June , 2007 at local time. At the meeting, the holders of Capital common stock will be asked to vote upon a proposal to adopt and approve the merger agreement and the merger. The Capital board of directors has fixed the close of business on , 2007 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting. At the record date, approximately shares of Capital common stock were issued and outstanding and entitled to vote. Each share of Capital common stock is entitled to one vote on any matter that may properly come before the meeting. The affirmative vote of a majority of the outstanding shares of Capital common stock is required to adopt and approve the merger agreement and the merger.

***Vote of Management-Owned Shares (pages through )***

As of the record date, the directors and executive officers of Capital and their respective affiliates collectively owned approximately % of the outstanding shares of Capital common stock, including shares subject to options currently exercisable but not exercised. Approval of the merger requires the affirmative vote of a majority of the outstanding shares of Capital common stock. All of the directors and executive officers of Capital and Capital Bank have entered into agreements with Renasant pursuant to which they have agreed, in their capacity as stockholders of Capital, to vote all of their shares in favor of the adoption and approval of the merger agreement and the merger. Assuming that no stock options are exercised, Capital anticipates that the directors and executive officers will collectively vote % of the outstanding shares of Capital common stock in favor of the merger in accordance with those agreements.

***Capital's Reasons for the Merger; Recommendation of the Capital Board (pages and )***

Capital's board of directors has unanimously approved the merger agreement and the merger. Capital's board of directors believes that the merger is in the best interest of Capital and its stockholders and that the merger consideration is fair to Capital stockholders from a financial point of view and unanimously recommends that Capital stockholders vote FOR the adoption and approval of the merger agreement, the related articles of merger and the merger. In reaching its decision, the Capital board considered a number of factors, which are described in more detail in The Merger Capital's Reasons for the Merger on the pages listed above. The Capital board of directors did not assign relative weights to the factors described in that section or the other factors considered by it. In addition, the Capital board did not reach any specific conclusion on each factor considered, but conducted an overall analysis of these factors. Individual members of the Capital board of directors may have given weights to different factors.

***Conditions to the Merger (pages through )***

The obligations of both Renasant and Capital to complete the merger are subject to the following conditions being fulfilled:

receipt of all necessary regulatory or governmental consents and approvals required to complete the merger of Capital into Renasant and the merger of Capital Bank into Renasant Bank, the satisfaction of all conditions required under those consents and approvals and the expiration of any waiting periods required by law;

adoption and approval of the merger agreement and the merger by Capital's stockholders and adoption and approval of the merger agreement and the merger by Renasant's stockholders to the extent required by applicable law and the rules of The NASDAQ Stock Market;

the registration statement filed with the SEC, of which this document forms a part, having become effective and remaining effective through the completion of the merger;

receipt of all consents and approvals required for the mergers from persons other than governmental entities, except those consents which would not reasonably be expected to have a material adverse effect on any of the parties;





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absence of any governmental or judicial order or otherwise prohibiting or restricting completion of the merger;

receipt of an opinion of Phelps Dunbar LLP, Renasant's outside counsel, that the merger will qualify as a tax-free reorganization under Section 368 of the Internal Revenue Code and that the exchange of shares in the merger will not give rise to gain or loss to the holders of Capital common stock;

approval of the shares of Renasant common stock issuable to the holders of shares of Capital common stock for listing on The NASDAQ Global Select Market;

the execution and delivery of the plan of merger and articles of merger with respect to the merger of Capital with and into Renasant and the execution and delivery of a plan of merger and articles of merger with respect to the merger of Capital Bank with and into Renasant Bank;

the execution and delivery of (1) a termination and release agreement by and among Capital, Capital Bank, Renasant and R. Rick Hart and (2) an employment agreement by and between Renasant and R. Rick Hart;

the execution and delivery of (1) a termination and release agreement by and among Capital, Capital Bank, Renasant and John W. Gregory, Jr. and (2) an employment agreement by and between Renasant Bank and John W. Gregory, Jr.; and

Renasant Bank and Capital Bank shall have executed and delivered the agreements pursuant to which Capital Bank will merge with and into Renasant Bank.

In addition, Renasant's obligation to complete the merger is subject to, among other things:

Capital's and Capital Bank's performance of and compliance with in all material respects all obligations required by the merger agreement;

the representations and warranties of Capital and Capital Bank in the merger agreement being true and correct as of the date of the merger agreement and as of the closing date of the merger (except those that relate specifically to another date, which shall be true and correct as of that date);

the receipt of all permits, consents, authorizations and the like necessary in connection with the completion of the merger, none of which contain any terms or conditions which are unacceptable to Renasant;

Capital stockholders who exercise their dissenters' rights shall not hold more than 5% of the outstanding shares of Capital common stock immediately prior to the merger; and

Capital shall have redeemed for cash all of the rights issued pursuant to the Rights Agreement dated July 18, 2001 between Capital and Registrar and Transfer Company in accordance with the Rights Agreement on terms and conditions acceptable to Renasant. The rights represent the opportunity for Capital stockholders to acquire additional shares of Capital common stock upon the occurrence of certain events as more fully described in Comparison of Rights of Stockholders of Capital and Renasant Shareholder Rights Plan.

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Capital shall have terminated its 401(k) plan.

In addition, Capital's obligation to complete the merger is subject to, among other things:

Renasant's and Renasant Bank's performance of and compliance in all material respects with all obligations required by the merger agreement;

the representations and warranties of Renasant and Renasant Bank being true and correct as of the date of the merger agreement and as of the closing date of the merger (except those that relate specifically to another date, which shall be true and correct as of that date);

the receipt of all permits, consents, waivers, clearances, approvals and authorizations necessary in connection with the completion of the merger, none of which adversely affect the merger consideration;

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three qualified people selected by Capital from its board of directors who are reasonably acceptable to Renasant having been appointed to the board of directors of Renasant and three qualified people selected from Capital Bank's board of directors who are reasonably acceptable to Renasant having been appointed to the board of directors of Renasant Bank; and

the shares of Renasant common stock to be issued in connection with the merger shall have been approved for listing on The NASDAQ Global Select Market and the Renasant common stock shall not have been delisted from The NASDAQ Global Select Market nor shall proceedings have been instituted or initiated with respect to such stock.

The merger is expected to be completed promptly after Capital stockholder approval is received at the special meeting, all necessary regulatory approvals are received and other conditions to the closing described above are fulfilled. This is expected to occur during the third quarter of 2007, although fulfilling some of the conditions to closing the merger, such as receiving regulatory approvals, is not within the control of Renasant or Capital.

***Covenants and Agreements (pages through )***

Capital has agreed that neither it nor Capital Bank, nor any person on either's behalf, will solicit or hold discussions with any third party regarding a merger, tender offer, recapitalization, consolidation or any similar transaction, sale or lease or other acquisition or assumption of all or a substantial portion of Capital's or Capital Bank's assets, purchase or acquisition of more than 20% of the voting power of Capital or any similar transaction. Under specified circumstances, however, Capital may take the following actions:

provide information to a third party regarding a proposal to engage in any of the above-described transactions;

negotiate and discuss such a transaction with a third party;

recommend to the stockholders of Capital the approval of such a transaction with a third party; or

withdraw a recommendation regarding the merger with Renasant.

Capital may take these actions only if (1) Capital's board of directors determines in good faith (after consultation with outside legal counsel) that any of the above-described actions are necessary in order for its directors to comply with their fiduciary duties under applicable law and (2) the board of directors determines in good faith (after consultation with its financial advisor) that the transaction with the third party is likely to be consummated and to result in a transaction more favorable to Capital stockholders from a financial point of view than the merger with Renasant.

Renasant has the right to match or better any acquisition proposal from a third party within ten days after receipt of notice from Capital of the third party offer, and the merger agreement will be amended to reflect any new terms offered by Renasant. If Renasant matches or betters such proposal, Capital must cease, and cause Capital Bank or its representative to cease, all discussions with the third party.

The merger agreement requires Renasant to provide specified indemnification for a period of two years following the closing date of the merger, subject to an aggregate cap on Renasant's indemnification liability equal to the sum of \$5.0 million and the policy limits of the directors' and officers' liability insurance described below. Renasant must indemnify and hold harmless from liability for acts or omissions occurring at or prior to the closing date of the merger specified current or former directors and officers of Capital or Capital Bank to the same extent as such directors or officers would be indemnified under the articles of incorporation or bylaws of Renasant as if they were directors or officers of Renasant. The merger agreement also provides that Renasant shall use its reasonable best efforts to cause Renasant or Renasant Bank to obtain for a period of two years after the closing date of the merger policies of directors' and officers' liability insurance. This insurance must cover acts or omissions occurring prior to the closing date of the merger for such directors and officers of Capital. The

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insurance must be on terms and in amounts substantially similar to the policies in effect on the date of the merger agreement. However, neither Renasant nor Renasant Bank are required to pay an aggregate premium for such insurance coverage in excess of 200% of the amount for such coverage as currently held by Capital. In such case, Renasant or Renasant Bank shall purchase as much coverage as reasonably practicable for such amount.

***Termination of the Merger Agreement (pages and )***

The merger agreement may be terminated and the merger may be abandoned at any time prior to the closing date of the merger:

by the mutual written consent of Renasant and Capital;

by either Renasant or Capital if:

(1) the closing date of the merger shall not have occurred on or prior to September 30, 2007 (or on or prior to December 31, 2007 where a governmental approval is pending and has not been finally resolved), (2) the merger agreement and the merger are not approved by Capital's stockholders or (3) the merger agreement and the merger are not approved by Renasant's stockholders, unless either (1), (2) or (3) is caused by the failure of the party seeking to terminate to perform or observe its agreements at or before the closing date or the stockholders vote, as the case may be;

there has been a breach by the other party of (1) any covenant or undertaking in the merger agreement or (2) any representation or warranty of the other party contained in the merger agreement, where such breach prevents the breaching party from satisfying a condition to closing in the merger agreement and has not been cured within thirty days following delivery of written notice of the breach;

30 days pass after any application for regulatory or governmental approval is denied or withdrawn at the request or recommendation of the governmental entity, unless within such 30-day period a petition for rehearing or an amended application is filed. A party may terminate 30 or more days after a petition for rehearing or an amended application is denied. No party may terminate when the denial or withdrawal is due to that party's failure to observe or perform its covenants or agreements; or

any governmental entity shall have issued a final, non-appealable order prohibiting the completion of the merger.

by Renasant if:

Capital's board of directors fails to make, or withdraws, qualifies or changes the recommendation in this proxy statement/prospectus that Capital's stockholders vote to adopt and approve the merger agreement and the merger, or proposes publicly to do any of the foregoing;

the special meeting to approve the merger agreement and plan of merger is not called or convened by Capital;

Capital approves or recommends, or publicly proposes to approve or recommend, an acquisition proposal by a third party;

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Capital stockholders who own more than 5% of the outstanding shares of Capital common stock exercise their right to dissent; or

The Federal Deposit Insurance Corporation or the Tennessee Department of Financial Institutions closes or orders the closing of Capital Bank.

by Capital if:

the board of directors of Capital determines in good faith, after consultation with outside counsel, that it would constitute a breach of the board's fiduciary duties (1) to hold the special meeting, (2) to recommend the merger agreement and the merger to Capital stockholders, (3) to fail to

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terminate the merger agreement and accept an acquisition proposal from a third party or (4) to not withdraw or modify its previous recommendation to Capital's stockholders to adopt and approve the merger agreement and the merger; or

the shares of Renasant's common stock do not meet the trading price target described on page of this proxy statement/prospectus.

***Termination Fees (pages and )***

Capital must pay to Renasant a termination fee of \$5,000,000 if:

(1) prior to any event allowing either party to terminate the merger agreement, an acquisition proposal from a third party is publicly announced or otherwise made known to Capital's senior management, board of directors or stockholders generally and not irrevocably withdrawn more than five business days prior to the special meeting, (2) the merger agreement is then terminated (x) by either Renasant or Capital, because Capital's stockholders failed to approve the merger agreement and the merger or (y) by Renasant, because of a willful breach by Capital of any covenant, undertaking, representation or warranty contained in the merger agreement, and (3) the acquisition contained in the acquisition proposal is consummated within 12 months of the termination of the merger agreement;

Renasant terminates the merger agreement because Capital either (1) failed to recommend to its stockholders the approval of the merger agreement and the merger, (2) effected a change in such recommendation, (3) failed to call or convene the special meeting, or (4) approved or recommended, or proposed publicly to approve or recommend, any other acquisition transaction; or

Capital terminates the merger agreement because its board of directors determines that it would constitute a breach of the board's fiduciary duties (1) to recommend the merger agreement and the merger to Capital stockholders, (2) to fail to terminate the merger agreement and accept an acquisition proposal from a third party, (3) to hold the special meeting or (4) to not withdraw or modify its previous recommendation to Capital's stockholders to adopt and approve the merger agreement and the merger.

***Interests of Certain Persons in the Merger (pages and )***

In addition to their interests as stockholders, the directors and executive officers of Capital may have interests in the merger that are different from, or in addition to, your interests. These interests exist because of rights they may have under individual employment agreements, under compensation and benefit plans, including the Capital stock option plan and under the merger agreement. These interests include, among other things:

an employment agreement to be entered into by Renasant and R. Rick Hart on the closing date, pursuant to which R. Rick Hart will serve as an Executive Vice President of Renasant and as President of the Tennessee Division of Renasant Bank, for a period commencing on the closing date and ending five years after the closing date, subject to renewal;

a termination and release agreement pursuant to which R. Rick Hart will receive a payment of \$ from Renasant upon the closing of the merger;

an employment agreement to be entered into by Renasant Bank and John W. Gregory, Jr. on the closing date, pursuant to which John W. Gregory, Jr. will serve as Executive Vice President of Renasant Bank, for a period commencing on the closing date and ending five years after the closing date, subject to renewal;

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a termination and release agreement pursuant to which John W. Gregory, Jr. will receive a payment of \$ from Renasant upon the closing of the merger;

full conditional vesting of all Capital stock options on the date of the merger agreement (February 5, 2007);

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full vesting of benefits on the closing date of the merger under the Supplemental Executive Retirement Benefit Plan Agreements between Sally P. Kimble and Capital Bank and the Change of Control Severance Agreement by and among Sally P. Kimble, Capital and Capital Bank;

a termination payment, pursuant to which H. Edward Jackson, III will receive a payment from Capital Bank of approximately \$60,000 when his employment by Capital Bank is terminated prior to the merger;

the appointment of three Capital directors to Renasant's board of directors and Renasant Bank's board of directors; and

Renasant's agreement to indemnify and hold harmless duly elected present and former directors and officers of Capital and Capital Bank.

The members of the Capital board of directors knew of these additional interests, and considered them when they approved the merger agreement.

***Dissenters' Rights (pages through )***

Under Tennessee law, if a Capital stockholder follows the appropriate procedures for demanding dissenters' rights and does not vote in favor of the adoption and approval of the merger agreement and the merger, such individual will be entitled to receive a cash payment equal to the fair value of the shares of Capital common stock owned by such stockholder, as determined by a Tennessee court, in lieu of the stockholder's right to receive the merger consideration.

If a Capital stockholder desires to exercise dissenters' rights under Tennessee law, the stockholder is required to comply with Chapter 23 of the Tennessee Business Corporation Act, which is summarized under the heading "The Merger Dissenters' Rights." A copy of Chapter 23 is attached to this proxy statement/prospectus as Annex C. Failure to take all of the steps required under Tennessee law may result in the loss of dissenters' rights by the Capital stockholder. If a Capital stockholder loses his or her dissenters' rights, such stockholder will be deemed to have elected to receive cash for 40% of his or her shares of Capital common stock and shares of Renasant common stock for 60% of his or her shares of Capital common stock, at the same price and exchange ratio described above.

***Tax Consequences of the Merger (pages through )***

Assuming that the merger is completed as currently contemplated, a holder of Capital common stock will not recognize any gain or loss for United States federal income tax purposes on any of the Capital shares exchanged for Renasant shares in the merger, except with respect to cash received in lieu of a fractional Renasant share. A holder of Capital common stock may recognize gain or loss if Capital shares are exchanged solely for cash in the merger. Further, a holder of Capital common stock may recognize gain, but not loss, if the Capital shares are exchanged for a combination of Renasant shares and cash, but not in excess of the cash received in the merger.

***Regulatory and Third-Party Approvals (pages and )***

Under the merger agreement, Renasant and Capital have agreed to use their best efforts to obtain all necessary actions, indications of no objection, waivers, consents and approvals from any governmental authority necessary to complete and make effective the merger and other transactions contemplated by the merger agreement. The required regulatory approvals include approval from the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Mississippi Department of Banking and Consumer Finance and the Tennessee Department of Financial Institutions. All applications and notices have been filed, or are in the process of being filed. While Renasant and Capital believe that they will receive the requisite approvals for the merger, there can be no assurance regarding the timing of the approvals, the ability of the companies to obtain the approvals on satisfactory terms, the absence of litigation challenging such approvals or otherwise.



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In addition to the other information included in or incorporated by reference into this proxy statement/prospectus and the matters addressed under the heading "Forward Looking Statements" on page 1 of this proxy statement/prospectus, you should carefully consider the following risk factors in determining whether to adopt and approve the merger agreement and the merger. If any of the following risks or other risks which have not been identified or which Renasant may believe are immaterial or unlikely, actually occur, Renasant's business, financial condition and results of operations could be harmed. Many factors, including those described below, could cause actual results to differ materially from those discussed in forward-looking statements.

**Risks Related to Renasant's Business and Industry*****Renasant is subject to interest rate risk.***

Renasant's earnings and cash flows are largely dependent upon Renasant's net interest income. Net interest income is the difference between interest earned on assets, such as loans and securities, and the cost of interest-bearing liabilities, such as deposits and borrowed funds. Interest rates are highly sensitive to many factors that are beyond Renasant's control, including general economic conditions and policies of various governmental and regulatory agencies and, in particular, the Federal Reserve. Changes in monetary policy, including changes in interest rates, could influence not only the interest Renasant receives on loans and securities and the amount of interest Renasant pays on deposits and borrowings, but such changes could also affect (1) Renasant's ability to originate loans and obtain deposits, which could reduce the amount of fee income generated, (2) the fair value of Renasant's financial assets and liabilities and (3) the average duration of Renasant's mortgage-backed securities portfolio. If the interest rates paid on deposits and other borrowings increase at a faster rate than the interest rates received on loans and other investments, Renasant's net interest income could be adversely affected, which in turn could negatively affect Renasant's earnings. Earnings could also be adversely affected if the interest rates received on loans and other investments fall more quickly than the interest rates paid on deposits and other borrowings.

Although Renasant's management believes it has implemented effective asset and liability management strategies to reduce the potential effects of changes in interest rates on the results of Renasant's operations, any substantial, unexpected, prolonged change in market interest rates could have a material adverse effect on Renasant's financial condition and results of operations. Volatility in interest rates may also result in disintermediation, which is the flow of funds away from financial institutions into direct investments, such as U.S. Government and Agency securities and other investment vehicles, including mutual funds, which generally pay higher rates of return than financial institutions because of the absence of federal insurance premiums and reserve requirements. Disintermediation could also result in material adverse effects on Renasant's financial condition and results of operations.

***Renasant is subject to lending risk.***

There are inherent risks associated with Renasant's lending activities. These risks include, among other things, the impact of changes in interest rates and changes in the economic conditions in the markets where Renasant operates as well as those across the United States. Increases in interest rates and/or weakening economic conditions could adversely impact the ability of borrowers to repay outstanding loans or the value of the collateral securing these loans.

As of December 31, 2006, approximately 61% of Renasant's loan portfolio consisted of commercial, construction and commercial real estate loans. These types of loans are generally viewed as having more risk to our financial condition than residential real estate loans or consumer loans due primarily to the large amounts loaned to individual borrowers. Because the loan portfolio contains a significant number of commercial, construction and commercial real estate loans with relatively large balances, the deterioration of one or a few of

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these loans could cause a significant increase in non-performing loans. An increase in non-performing loans could result in a net loss of earnings from these loans, an increase in the provision for possible loan losses and an increase in loan charge-offs, all of which could have a material adverse effect on Renasant's financial condition and results of operations.

In addition, approximately 82.6% of Renasant's loan portfolio had real estate as a primary or secondary component of the collateral securing the loan. An adverse change in the value of real estate generally and in Renasant's markets specifically could significantly impair the value of the collateral securing Renasant's loans and Renasant's ability to sell the collateral upon foreclosure for an amount necessary to satisfy the borrower's obligations to Renasant, which could have a material adverse effect on Renasant's financial condition and results of operations.

***Renasant has a concentration of credit exposure in commercial real estate.***

At December 31, 2006, Renasant had approximately \$629 million in commercial real estate loans, representing approximately 34.45% of Renasant's loans outstanding on that date. In addition to the general risks associated with Renasant's lending activities described above, commercial real estate loans are subject to additional risks. Commercial real estate loans depend on cash flows from the property to service the debt. Cash flows may be affected significantly by general economic conditions, and a downturn in the local economy generally or in occupancy rates where the property is located could increase the likelihood of default. In addition, banking regulators are giving commercial real estate lending greater scrutiny and may require banks with higher levels of commercial real estate loans to implement improved underwriting, internal controls, risk management policies and portfolio stress testing, as well as possibly higher levels of allowances for possible losses and capital levels as a result of commercial real estate lending growth and exposure. Any of these factors could have a material adverse effect on Renasant's financial condition and results of operations.

***Renasant depends on the accuracy and completeness of information furnished by others about customers and counterparties.***

In deciding whether to extend credit or enter into other transactions, Renasant often relies on information furnished by or on behalf of customers and counterparties, including financial statements, credit reports and other financial information. Renasant may also rely on representations of those customers, counterparties or other third parties, such as independent auditors, as to the accuracy and completeness of that information. Reliance on inaccurate or misleading financial statements, credit reports or other financial information could have a material adverse effect on Renasant's business and, in turn, Renasant's financial condition and results of operations.

***Renasant's allowance for loan losses may be insufficient.***

Although Renasant tries to maintain diversification within Renasant's loan portfolio in order to minimize the effect of economic conditions within a particular industry, management also maintains an allowance for loan losses, which is a reserve established through a provision for loan losses charged to expense, to absorb probable credit losses inherent in the entire loan portfolio. The appropriate level of the allowance is based on management's quarterly analysis of the loan portfolio and represents an amount that management deems adequate to provide for inherent losses, including collective impairment. Among other considerations in establishing the allowance for loan losses, management considers economic conditions reflected within industry segments, the unemployment rate in Renasant's markets, loan segmentation and historical losses that are inherent in the loan portfolio. The determination of the appropriate level of the allowance for loan losses inherently involves a high degree of subjectivity and requires management to make significant estimates of current credit risks and future trends, all of which may undergo material changes. Changes in economic conditions affecting borrowers, new information regarding existing loans, identification of additional problem loans and other factors, both within and outside of Renasant's control, may require an increase in the allowance for loan losses.

In addition, bank regulatory agencies periodically review the allowance for loan losses and may require an increase in the provision for loan losses or the recognition of further loan charge-offs, based on judgments

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different than those of management. In addition, if charge-offs in future periods exceed the allowance for loan losses, Renasant will need additional provisions to increase the allowance for loan losses. Any increases in the allowance for loan losses will result in a decrease in net income and, possibly, capital and may have a material adverse effect on Renasant's financial condition and results of operations.

***Liquidity needs could adversely affect Renasant's results of operations and financial condition.***

Renasant relies on the dividends from Renasant's bank subsidiary as Renasant's primary source of funds. The primary source of funds of Renasant's bank subsidiary are customer deposits and loan repayments. While scheduled loan repayments are a relatively stable source of funds, they are subject to the ability of borrowers to repay the loans. The ability of borrowers to repay loans can be adversely affected by a number of factors, including changes in economic conditions, adverse trends or events affecting business industry groups, reductions in real estate values or markets, business closings or lay-offs, inclement weather, natural disasters and international instability. Additionally, deposit levels may be affected by a number of factors, including rates paid by competitors, general interest rate levels, returns available to customers on alternative investments and general economic conditions. Accordingly, Renasant may be required from time to time to rely on secondary sources of liquidity to meet withdrawal demands or otherwise fund operations or to support growth. Such sources include Federal Home Loan Bank advances and federal funds lines of credit from correspondent banks. While Renasant believes that these sources are currently adequate, there can be no assurance they will be sufficient to meet future liquidity demands, particularly if Renasant continues to grow and experience increasing loan demand.

If the aforementioned sources of liquidity are not adequate for Renasant's needs, Renasant may attempt to raise additional capital in the capital markets. Renasant's ability to raise additional capital, if needed, will depend on conditions in such markets at that time, which are outside Renasant's control, and on Renasant's financial performance. Accordingly, Renasant cannot assure you of Renasant's ability to raise additional capital in this manner.

If Renasant is unable to meet its liquidity needs, Renasant may be required to slow or discontinue loan growth, capital expenditures or other investments or liquidate assets.

***Renasant's business strategy includes the continuation of growth plans, and Renasant's financial condition and results of operations could be negatively affected if Renasant fails to grow or fails to manage Renasant's growth effectively.***

Since 2004, Renasant has significantly grown its business outside its Mississippi footprint through the acquisition of entire financial institutions and through de novo branching. Renasant intends to continue pursuing a growth strategy for its business through de novo branching. In addition, although Renasant has no current intentions regarding new acquisitions in the next few years, Renasant expects to continue to evaluate attractive acquisition opportunities that are presented to it. Renasant's prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in growth stages of development, including the following:

***Management of Growth.*** Renasant may be unable to successfully:

maintain loan quality in the context of significant loan growth;

maintain adequate management personnel and systems to oversee such growth;

maintain adequate internal audit, loan review and compliance functions; and

implement additional policies, procedures and operating systems required to support such growth.

***Operating Results.*** There is no assurance that Renasant's existing offices or future offices will maintain or achieve deposit levels, loan balances or other operating results necessary to avoid losses or produce profits.

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Renasant's growth and de novo branching strategy necessarily entails growth in overhead expenses as Renasant routinely adds new offices and staff. Renasant's historical results may not be indicative of future results or results that may be achieved as Renasant continues to increase the number and concentration of its branch offices. Should any new location be unprofitable or marginally profitable, or should any existing location experience a decline in profitability or incur losses, the adverse effect on Renasant's results of operations and financial condition could be more significant than would be the case for a larger company.

*Development of Offices.* There are considerable costs involved in opening branches, and new branches generally do not generate sufficient revenues to offset their costs until they have been in operation for at least a year or more. Accordingly, Renasant's de novo branches can be expected to negatively impact its earnings for some period of time until the branches reach certain economies of scale. Renasant's expenses could be further increased if it encounters delays in opening any of its de novo branches. Renasant may be unable to accomplish future branch expansion plans due to a lack of available satisfactory sites, difficulties in acquiring such sites, increased expenses or loss of potential sites due to complexities associated with zoning and permitting processes, higher than anticipated acquisition costs or other factors. Finally, Renasant has no assurance that its de novo branches or branches that it may acquire will be successful even after they have been established or acquired, as the case may be.

*Expansion into New Markets.* Much of Renasant's recent growth, and all of Renasant's growth through acquisitions, has been focused in the highly-competitive Memphis and Nashville, Tennessee and Birmingham and Huntsville, Alabama metropolitan markets. The customer demographics and financial services offerings in these markets are unlike those found in the Mississippi markets that Renasant has historically served. In these growth markets Renasant faces competition from a wide array of financial institutions, including much larger, well-established financial institutions. Renasant's expansion into these new markets may be unsuccessful if Renasant is unable to meet customer demands or compete effectively with the financial institutions operating in these markets.

*Regulatory and Economic Factors.* Renasant's growth and expansion plans may be adversely affected by a number of regulatory and economic developments or other events. Failure to obtain required regulatory approvals, changes in laws and regulations or other regulatory developments and changes in prevailing economic conditions or other unanticipated events may prevent or adversely affect Renasant's continued growth and expansion. Such factors may cause Renasant to alter its growth and expansion plans or slow or halt the growth and expansion process, which may prevent Renasant from entering certain target markets or allow competitors to gain or retain market share in its existing or expected markets.

Failure to successfully address these issues could have a material adverse effect on Renasant's financial condition and results of operations, and could adversely affect its ability to successfully implement its business strategy. Also, if Renasant's growth occurs more slowly than anticipated or declines, its operating results could be materially adversely affected.

***Renasant may face risks with respect to future acquisitions.***

When Renasant attempts to expand its business through mergers and acquisitions, Renasant seeks partners that are culturally similar to it, have experienced management and possess either significant market presence or have potential for improved profitability through economies of scale or expanded services. Acquiring other banks, businesses or branches involves various risks commonly associated with acquisitions, including, among other things:

the time and costs associated with identifying and evaluating potential acquisition and merger partners;

inaccuracies in the estimates and judgments used to evaluate credit, operations, management and market risks with respect to the target institution;

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the time and costs of evaluating new markets, hiring experienced local management and opening new bank locations, and the time lags between these activities and the generation of sufficient assets and deposits to support the costs of the expansion;

Renasant's ability to finance an acquisition and possible dilution to its existing stockholders;

the diversion of Renasant's management's attention to the negotiation of a transaction;

the incurrence of an impairment of goodwill associated with an acquisition and adverse effects on Renasant's results of operations;

entry into new markets where Renasant lacks experience; and

risks associated with integrating the operations and personnel of the acquired business, which are discussed below.

Although Renasant has no current intentions regarding new acquisitions in the next few years, Renasant expects to continue to evaluate merger and acquisition opportunities that are presented to it and conduct due diligence activities related to possible transactions with other financial institutions. As a result, merger or acquisition discussions and, in some cases, negotiations may take place, and future mergers or acquisitions involving cash, debt or equity securities may occur at any time. Acquisitions typically involve the payment of a premium over book and market values, and, therefore, some dilution of Renasant's tangible book value and net income per common share may occur in connection with any future transaction. Furthermore, failure to realize the expected revenue increases, cost savings, increases in geographic or product presence and/or other projected benefits from an acquisition could have a material adverse effect on Renasant's financial condition and results of operations.

***Renasant's integration efforts following any future mergers or acquisitions, including Renasant's proposed acquisition of Capital, may not be successful. After giving effect to an acquisition, Renasant may not be able to achieve profits comparable to or better than its historical experience.***

The success of any merger or acquisition Renasant enters into, including its proposed acquisition of Capital, will depend primarily on Renasant's ability to consolidate operations, systems and procedures and to eliminate redundancies and costs. Renasant may not be able to integrate its operations without encountering difficulties, such as:

the loss of key employees and customers;

the disruption of its ongoing business and operations;

its inability to maintain and increase competitive presence;

deposit attrition and revenue loss;

possible inconsistencies in standards, controls, procedures and policies;

unexpected problems with costs, operations, personnel, technology and credit; and/or

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problems with the assimilation of new operations, sites or personnel.

Additionally, general market and economic conditions or governmental actions affecting the financial industry generally may inhibit Renasant's successful integration of operations.

If Renasant has difficulties with the integration, it might not achieve the economic benefits it expects to result from the acquisition. Failure to achieve these anticipated benefits could result in greater than expected costs, decreases in the amount of expected revenues and diversion of management's time and energy, all of which could materially impact Renasant's business, financial condition and results of operations. In addition, the attention and effort devoted to the integration of an acquired business may divert management's attention from

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other important issues and could seriously harm Renasant's business. Finally, cost savings from any acquisitions may be offset by losses in revenues or charges to earnings.

***Competition in the banking industry is intense and may adversely affect Renasant's profitability.***

Renasant faces substantial competition in all areas of its operations from a variety of different competitors, many of which are larger and have substantially greater resources than Renasant, including higher total assets and capitalization, greater access to capital markets and a broader offering of financial services. Such competitors primarily include national, regional and community banks within the various markets in which Renasant operates. Renasant also faces competition from many other types of financial institutions, including savings and loans, credit unions, finance companies, brokerage firms, insurance companies, factoring companies and other financial intermediaries.

Renasant's industry could become even more competitive as a result of legislative, regulatory and technological changes and continued consolidation. Banks, securities firms and insurance companies can merge under the umbrella of a financial holding company, which can offer virtually any type of financial service, including banking, securities underwriting, insurance (both agency and underwriting) and merchant banking. Also, technology has lowered barriers to entry and made it possible for non-banks to offer products and services traditionally provided by banks, such as automatic transfer and automatic payment systems. Many of Renasant's competitors have fewer regulatory constraints and may have lower cost structures.

Renasant's ability to compete successfully depends on a number of factors, including, among other things:

the ability to develop, maintain and build upon long-term customer relationships based on top quality service, high ethical standards and safe, sound assets;

the ability to expand Renasant's market position;

the scope, relevance and pricing of products and services offered to meet customer needs and demands;

the rate at which Renasant introduces new products and services relative to its competitors;

customer satisfaction with Renasant's level of service; and

industry and general economic trends.

Failure to perform in any of these areas could significantly weaken Renasant's competitive position, which could adversely affect Renasant's growth and profitability, which, in turn, could have a material adverse effect on Renasant's financial condition and results of operations.

***Renasant's profitability depends significantly on economic conditions in the states of Mississippi, Tennessee and Alabama.***

Renasant's success depends primarily on the general economic conditions of the states of Mississippi, Tennessee and Alabama and the specific local markets in each of those states in which Renasant operates. Unlike larger national or other regional banks that are more geographically diversified, 73% of Renasant's loans and 61% of Renasant's deposits are principally located in the Tupelo, Oxford and DeSoto County, Mississippi; Memphis and Nashville, Tennessee; and Birmingham and Huntsville, Alabama metropolitan areas. The local economic conditions in these areas have a significant impact on the demand for Renasant's products and services as well as the ability of Renasant's customers to repay loans, the value of the collateral securing loans and the stability of Renasant's deposit funding sources.

***Renasant's earnings are significantly affected by general business and economic conditions.***

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In addition to the risks associated with the general economic conditions in the markets in which Renasant operates, Renasant's operations and profitability are also impacted by general business and economic conditions



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in the United States and abroad. These conditions include short-term and long-term interest rates, inflation, money supply, political issues, legislative and regulatory changes, fluctuations in both debt and equity capital markets, broad trends in industry and finance and the strength of the U.S. economy and the local economies in which Renasant operates, all of which are beyond its control. A deterioration in economic conditions could result in an increase in loan delinquencies and non-performing assets, decreases in loan collateral values and a decrease in demand for Renasant's products and services, among other things, any of which could have a material adverse effect on its financial condition and results of operations.

***Renasant is subject to extensive government regulation, and such regulation could limit or restrict its activities and adversely affect its earnings.***

Renasant and Renasant Bank are subject to extensive federal and state regulation and supervision. Banking regulations are primarily intended to protect depositors' funds, federal deposit insurance funds and the banking system as a whole, not the economic or other interests of stockholders. These regulations affect Renasant's lending practices, capital structure, investment practices, dividend policy and growth, among other things. Changes to statutes, regulations or regulatory policies, including changes in interpretation or implementation of the foregoing, could affect Renasant and/or Renasant Bank in substantial and unpredictable ways. Such changes could subject Renasant to additional costs, limit the types of financial services and products it may offer and/or increase the ability of non-banks to offer competing financial services and products, among other things.

Under regulatory capital adequacy guidelines and other regulatory requirements, Renasant and Renasant Bank must meet guidelines that include quantitative measures of assets, liabilities and certain off-balance sheet items, subject to qualitative judgments by regulators about components, risk weightings and other factors. If Renasant fails to meet these minimum capital guidelines and other regulatory requirements, its financial condition would be materially and adversely affected. Renasant's failure to maintain the status of "well capitalized" under its regulatory framework could affect the confidence of its customers in it, thus compromising its competitive position. In addition, failure to maintain the status of "well capitalized" under Renasant's regulatory framework or "well managed" under regulatory examination procedures could compromise its status as a bank holding company and related eligibility for a streamlined review process for acquisition proposals.

Renasant is also subject to laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and new SEC regulations. These laws, regulations and standards are subject to varying interpretations in many cases, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Renasant is committed to maintaining high standards of corporate governance and public disclosure. As a result, Renasant's efforts to comply with evolving laws, regulations and standards have resulted in, and are likely to continue to result in, increased expenses and a diversion of management time and attention.

Failure to comply with laws, regulations or policies could also result in sanctions by regulatory agencies and/or civil money penalties, which could have a material adverse effect on Renasant's business, financial condition and results of operations. While Renasant has policies and procedures designed to prevent any such violations, there can be no assurance that such violations will not occur.

***Renasant's recent results may not be indicative of its future results.***

Renasant does not expect to be able to sustain its historical rate of growth, and Renasant may not even be able to grow its business at all. Renasant's recent and rapid growth, which was due in large part to Renasant's acquisitions of Renasant Bancshares and Heritage Financial Holding Corporation in 2004 and 2005, respectively, may distort some of its historical financial ratios and statistics. In the future, Renasant may not have the benefit of several recently favorable factors, such as a generally stable interest rate environment, a strong residential

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mortgage market or the ability to find suitable expansion opportunities. In addition, Renasant has no current intentions regarding future acquisitions of financial institutions. Thus, Renasant's future rate of growth is unlikely to reflect the rate of growth it has experienced since 2004. Various factors, such as economic conditions, regulatory and legislative considerations and competition, which are discussed in more detail above, may also impede or prohibit Renasant's ability to expand its market presence. If Renasant experiences a significant decrease in its historical rate of growth, its results of operations and financial condition may be adversely affected.

***Renasant may not be able to attract and retain skilled people.***

Renasant's success depends in part on its ability to retain key executives and to attract and retain additional qualified personnel who have experience both in sophisticated banking matters and in operating a bank of Renasant's size. Competition for such personnel is intense in the banking industry, and Renasant may not be successful in attracting or retaining the personnel it requires. The unexpected loss of one or more of Renasant's key personnel could have a material adverse effect on its business because of their skills, knowledge of its markets, years of industry experience and the difficulty of promptly finding qualified replacements. Renasant expects to effectively compete in this area by offering financial packages that are competitive within the industry.

***Renasant is subject to environmental liability risk associated with lending activities.***

A significant portion of Renasant's loan portfolio is secured by real property. During the ordinary course of business, Renasant may foreclose on and take title to properties securing certain loans. In doing so, there is a risk that hazardous or toxic substances could be found on these properties. If hazardous or toxic substances are found, Renasant may be liable for remediation costs, as well as for personal injury and property damage. Environmental laws may require Renasant to incur substantial expenses and may materially reduce the affected property's value or limit its ability to use or sell the affected property. The remediation costs and any other financial liabilities associated with an environmental hazard could have a material adverse effect on Renasant's financial condition and results of operations. In addition, future laws or more stringent interpretations or enforcement policies with respect to existing laws may increase Renasant's exposure to environmental liability. Although management has policies and procedures to perform an environmental review before the loan is recorded and before initiating any foreclosure action on real property, these reviews may not be sufficient to detect all potential environmental hazards.

***Severe weather, natural disasters, acts of war or terrorism and other external events could significantly impact Renasant's business.***

Severe weather, natural disasters, acts of war or terrorism and other adverse external events could have a significant impact on Renasant's ability to conduct business. Such events could affect the stability of Renasant's deposit base, impair the ability of borrowers to repay outstanding loans, impair the value of collateral securing loans, cause significant property damage, result in loss of revenue and/or cause Renasant to incur additional expenses. For example, during 2005, Hurricanes Katrina and Rita made landfall and subsequently caused extensive flooding and destruction along the coastal areas of the Gulf of Mexico. Although Renasant's operations were not disrupted by these hurricanes or their aftermath, other severe weather or natural disasters, acts of war or terrorism or other adverse external events may occur in the future. Although management has established disaster recovery policies and procedures, the occurrence of any such event could have a material adverse effect on Renasant's business, which, in turn, could have a material adverse effect on its financial condition and results of operations.

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### **Risks Related to the Merger and Renasant's Common Stock**

#### ***Shares eligible for future sale could have a dilutive effect.***

Shares of Renasant's common stock eligible for future sale, including those that may be issued in the acquisition of Capital and any offering of Renasant's common stock for cash, could have a dilutive effect on the market for Renasant's common stock and could adversely affect market prices.

As of February 28, 2007, there were 75,000,000 shares of Renasant's common stock authorized, of which approximately 15,560,006 shares were outstanding, excluding 1,174,883 shares issuable under outstanding options and warrants to purchase Renasant's common stock as of February 28, 2007. Renasant currently estimates that approximately 5.2 million shares will be issued in connection with the Capital acquisition, assuming no increase in the number of shares of Renasant common stock to be issued in the merger as a result of the decline in the price of Renasant common stock outside of the parameters described in the merger agreement after February 5, 2007, the date of the merger agreement.

#### ***Renasant's stock price can be volatile.***

Stock price volatility may make it more difficult for you to resell your common stock when you want and at prices you find attractive. Renasant's stock price can fluctuate significantly in response to a variety of factors including, among other things:

actual or anticipated variations in quarterly results of operations;

recommendations by securities analysts;

operating and stock price performance of other companies that investors deem comparable to Renasant;

news reports relating to trends, concerns and other issues in the banking and financial services industry;

perceptions in the marketplace regarding Renasant and/or its competitors;

new technology used, or services offered, by Renasant or its competitors;

significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Renasant or its competitors;

failure to integrate acquisitions or realize anticipated benefits from acquisitions;

changes in government regulations; and

geopolitical conditions such as acts or threats of terrorism or military conflicts.

General market fluctuations, industry factors and general economic and political conditions and events, such as economic slowdowns or recessions, interest rate changes or credit loss trends, could also cause Renasant's stock price to decrease regardless of operating results.

*The trading volume in Renasant's common stock is less than that of other larger bank holding companies.*

Although Renasant's common stock is listed for trading on The NASDAQ Global Select Market, the average daily trading volume in Renasant's common stock is low, generally less than that of many of its competitors and other larger bank holding companies. For the three months ended February 28, 2007, the average daily trading volume for Renasant common stock was approximately 25,500 shares per day. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of Renasant's common stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which Renasant has no control. Significant sales of Renasant's common stock, or the expectation of these sales, could cause volatility in the price of its common stock.

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***Renasant's ability to declare and pay dividends is limited by law, and Renasant may be unable to pay future dividends.***

Renasant is a separate and distinct legal entity from Renasant Bank, and Renasant receives substantially all of its revenue from dividends from Renasant Bank. These dividends are the principal source of funds to pay dividends on Renasant's common stock and interest and principal on debt. Various federal and/or state laws and regulations limit the amount of dividends that Renasant Bank may pay to Renasant. In the event Renasant Bank is unable to pay dividends to Renasant, Renasant may not be able to service debt, pay obligations or pay dividends on its common stock. The inability to receive dividends from Renasant Bank could have a material adverse effect on Renasant's business, financial condition and results of operations.

***Holders of Renasant's junior subordinated debentures have rights that are senior to those of Renasant's common stockholders.***

Renasant has supported its continued growth through the issuance of trust preferred securities from special purpose trusts and accompanying junior subordinated debentures. Also, in connection with the acquisition of Heritage Financial Holding Corporation, Renasant assumed junior subordinated debentures issued by Heritage. At December 31, 2006, Renasant had outstanding trust preferred securities and accompanying junior subordinated debentures totaling approximately \$64 million. Payments of the principal and interest on the trust preferred securities of these trusts are conditionally guaranteed by Renasant. Further, the junior subordinated debentures Renasant issued to the trusts are senior to its shares of common stock. As a result, Renasant must make payments on the junior subordinated debentures before any dividends can be paid on its common stock and, in the event of its bankruptcy, dissolution or liquidation, the holders of the junior subordinated debentures must be satisfied before any distributions can be made on Renasant's common stock. Renasant has the right to defer distributions on its junior subordinated debentures (and the related trust preferred securities) for up to five years, during which time no dividends may be paid on its common stock. If the merger is completed, Renasant will assume Capital's outstanding junior subordinated debentures totaling approximately \$12.4 million at December 31, 2006.

***An investment in Renasant's common stock is not an insured deposit.***

Renasant's common stock is not a bank deposit and, therefore, is not insured against loss by the FDIC, any deposit insurance fund or by any other public or private entity. Investment in Renasant's common stock is inherently risky for the reasons described in this "Risk Factors" section and elsewhere and is subject to the same market forces that affect the price of common stock in any company. As a result, if you acquire Renasant's common stock, you may lose some or all of your investment.

***Renasant's Articles of Incorporation and Bylaws, as well as certain banking laws, could decrease Renasant's chances of being acquired even if Renasant's acquisition is in its stockholders' best interests.***

Provisions of Renasant's Articles of Incorporation and Bylaws and federal banking laws, including regulatory approval requirements, could make it more difficult for a third party to acquire Renasant, even if doing so would be perceived to be beneficial to its stockholders. The combination of these provisions impedes a non-negotiated merger or other business combination, which, in turn, could adversely affect the market price of Renasant's common stock.

***Renasant's issuance of preferred stock could adversely affect holders of its common stock and discourage a takeover.***

Renasant's board of directors is authorized to issue up to 5,000,000 shares of preferred stock without any action on the part of its stockholders. Renasant's board of directors also has the power, without stockholder approval, to set the terms of any series of preferred stock that may be issued, including voting rights, dividend

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rights, preferences over its common stock with respect to dividends or in the event of a dissolution, liquidation or winding up and other terms. In the event that Renasant issues preferred stock in the future that has preference over its common stock with respect to payment of dividends or upon its liquidation, dissolution or winding up, or if Renasant issues preferred stock with voting rights that dilute the voting power of its common stock, the rights of the holders of Renasant's common stock or the market price of its common stock could be adversely affected. In addition, the ability of Renasant's board of directors to issue shares of preferred stock without any action on the part of its stockholders may impede a takeover of Renasant and prevent a transaction favorable to its stockholders.

***You may receive a form of consideration different from the form of consideration you elect.***

The consideration to be received by Capital stockholders in the merger is subject to the requirement that not less than 60% or more than 65% of the shares of Capital common stock be converted into the right to receive Renasant common stock and that not less than 35% or more than 40% of the shares of Capital common stock be converted into the right to receive cash. The merger agreement contains redesignation procedures to achieve this desired result. If you elect to receive all cash and the available cash is oversubscribed, then a portion of your merger consideration will be paid in Renasant common stock. If you elect to receive all stock and the available stock is oversubscribed, then a portion of the merger consideration you receive will be paid in cash. Therefore, you may not receive exactly the form of consideration that you elect.

***Changes in Renasant's stock price may affect the total value of the consideration you receive in the merger.***

Upon the closing of the merger, each share of Capital common stock you own will automatically be converted into the right to receive either \$38.00 in cash, 1.2306 shares of Renasant common stock (assuming no increase in the exchange ratio as a result of a decline in the price of Renasant common stock outside of the parameters described in the merger agreement after February 5, 2007, the date of the merger agreement), or a combination of both Renasant common stock and cash. Because the market price of Renasant common stock may fluctuate, you cannot be sure of the market value of the Renasant common stock that you elect to receive in the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in Renasant's businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond Renasant's control. In addition, there will be a time period between the completion of the merger and the time when Capital stockholders receiving stock consideration actually receive certificates evidencing Renasant common stock. Until stock certificates are received, Capital stockholders will not be able to sell their Renasant shares in the open market and, thus, will not be able to avoid losses resulting from any decline in the trading price of Renasant common stock during this period.

***The interests of certain directors and executive officers of Capital may cause them to view the merger differently than you would.***

You should be aware that the directors and some executive officers of Capital have interests in the merger that are different from, or in addition to, the interests of stockholders generally. Such other interests may cause some of these directors and executive officers to view the proposed transaction differently than you view it. For a discussion of these interests, see "The Merger" Interests of Certain Persons in the Merger. Notwithstanding these additional or different interests, the directors of Capital believe that the merger is in the best interests of Capital and its stockholders.

***Renasant may not be able to successfully integrate Capital or realize the anticipated benefits of the merger.***

Renasant's merger with Capital involves the combination of two bank holding companies that previously have operated independently. A successful combination of the operations of the two entities will depend substantially on Renasant's ability to consolidate operations, systems and procedures and to eliminate

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redundancies and costs. Renasant may not be able to combine the operations of Capital with its operations without encountering difficulties, such as:

the loss of key employees and customers;

the disruption of operations and business;

inability to maintain and increase competitive presence;

deposit attrition, customer loss and revenue loss;

possible inconsistencies in standards, control procedures and policies;

unexpected problems with costs, operations, personnel, technology and credit; and/or

problems with the assimilation of new operations, sites or personnel, which could divert resources from regular banking operations. Additionally, general market and economic conditions of governmental actions affecting the financial industry generally may inhibit Renasant's successful integration of Capital.

Further, Renasant entered into the merger agreement with the expectation that the merger will result in various benefits including, among other things, benefits relating to enhanced revenues, a strengthened market position for the combined company in the Nashville-Davidson-Murfreesboro, Tennessee Metropolitan Statistical Area, cross selling opportunities, technology, cost savings and operating efficiencies. Achieving the anticipated benefits of the merger is subject to a number of uncertainties, including whether Renasant integrates Capital in an efficient and effective manner, and general competitive factors in the marketplace. Renasant also believes that its ability to successfully integrate Capital with its operations will depend to a large degree upon its ability to retain Capital's existing management personnel. Although Renasant has entered into or will enter into employment and noncompetition agreements with certain officers of Capital, there can be no assurance that these officers or key employees will not depart.

Renasant's failure to achieve these anticipated benefits could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy and could materially impact its business, financial condition and operating results. In addition, the attention and effort devoted to the integration of Capital with Renasant's existing operations may divert management's attention from other important issues and could seriously harm its business. Finally, any cost savings that are realized may be offset by losses in revenues or other charges to earnings.

***The fairness opinion obtained by Capital from its financial advisor will not reflect changes in circumstances prior to the merger.***

Hovde Financial, LLC, the financial advisor to Capital, has delivered a fairness opinion to the board of directors of Capital. The opinion states that as of February 5, 2007, the total transaction consideration payable to the stockholders of Capital is fair from a financial point of view to the Capital stockholders. The opinion does not reflect changes that may occur or may have occurred after February 5, 2007, including changes to the operations and prospects of Capital or Renasant, changes in general market and economic conditions or other factors. Because Capital does not plan to ask Hovde Financial, LLC to update its opinion, the February 5, 2007 opinion may not accurately address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed.

***If you receive Renasant common stock in the merger, you will experience a substantial reduction in percentage ownership and voting power with respect to your shares as a result of the merger.***

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Capital stockholders who receive Renasant common stock in the merger will experience a substantial reduction in their respective percentage ownership interests and effective voting power through their stock



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ownership in Renasant relative to their percentage ownership interest and effective voting power in Capital prior to the merger. If the merger is consummated and 60% of the merger consideration consists of Renasant common stock, current Capital stockholders will own approximately % of Renasant's outstanding common stock, on a fully diluted basis, based on outstanding Renasant common stock as of the record date for the Capital special meeting of stockholders. Accordingly, even if such stockholders were to vote as a group, current Capital stockholders would be outvoted by other Renasant stockholders. Furthermore, Renasant has filed a registration statement to sell shares of its common stock in a public offering of its common stock prior to the closing of the merger. This will further dilute the equity interest in Renasant that Capital stockholders receive in the merger.

***In the event that the merger is not completed on a timely basis, it could have a material adverse effect on both companies, including loss of key employees and significant customers.***

The completion of the merger is subject to a number of important conditions, including stockholder approval, regulatory approval and other customary closing conditions. Also, while the merger is pending, competitors may attempt to solicit key employees as well as major customers of Capital Bank and Renasant Bank.

**Table of Contents****SELECTED HISTORICAL FINANCIAL DATA OF RENASANT**

The following table sets forth selected historical financial data of Renasant for the periods indicated. The selected historical financial data of Renasant as of and for the years 2002, 2003, 2004, 2005 and 2006 are derived from its audited consolidated financial statements and should be read in conjunction with its audited consolidated financial statements, including the notes thereto, and with Management's Discussion and Analysis of Financial Condition and Results of Operations in Renasant's Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference into this proxy statement/prospectus. Renasant's consolidated financial statements for the years ended December 31, 2006 and 2005 were audited by HORNE LLP, independent registered public accounting firm. Renasant's consolidated financial statements for the years ended December 31, 2004, 2003 and 2002 were audited by Ernst & Young LLP, independent registered public accounting firm. The financial information presented in the table below is not necessarily indicative of the financial condition, results of operations or cash flows of any other period.

**RENASANT SELECTED CONSOLIDATED****HISTORICAL FINANCIAL DATA***(Unaudited)**(In Thousands, except Share Data)*

	At and for the Years Ended December 31, (1)				
	2006	2005	2004	2003	2002
<b>Summary of Operations:</b>					
Interest income	\$ 154,293	\$ 128,389	\$ 77,024	\$ 70,810	\$ 78,418
Interest expense	70,230	47,963	21,796	21,777	26,525
Net interest income	84,063	80,426	55,228	49,033	51,893
Provision for loan losses	2,408	2,990	1,547	2,713	4,350
Net interest income after provision for loan losses	81,655	77,436	53,681	46,320	47,543
Noninterest income	45,943	40,216	32,287	31,893	27,973
Noninterest expense	89,006	83,940	60,709	53,193	51,027
Income before income taxes	38,592	33,712	25,259	25,020	24,489
Income taxes	11,467	9,503	6,816	6,839	6,819
Income before cumulative effect of accounting change	27,125	24,209	18,443	18,181	17,670
Cumulative effect of accounting change					(1,300)
Net income	\$ 27,125	\$ 24,209	\$ 18,443	\$ 18,181	\$ 16,370
<b>Per Share Data: (2)</b>					
Net income before cumulative effect of accounting change basic	\$ 1.75	\$ 1.56	\$ 1.43	\$ 1.47	\$ 1.40
Net income before cumulative effect of accounting change diluted	1.71	1.54	1.42	1.46	1.39
Cumulative effect of accounting change					(0.10)
Net income basic	1.75	1.56	1.43	1.47	1.30
Net income diluted	1.71	1.54	1.42	1.46	1.29
Dividends	0.63	0.58	0.55	0.50	0.46
Book value	16.27	15.22	13.19	11.19	10.59
Tangible book value	9.94	8.70	9.48	10.72	10.08

**Table of Contents****RENASANT SELECTED CONSOLIDATED****HISTORICAL FINANCIAL DATA (continued)**

	2006	At and for the Years Ended December 31,			2002
		2005	2004	2003	
<b>Financial Condition Data:</b>					
Total assets	\$ 2,611,356	\$ 2,397,702	\$ 1,707,545	\$ 1,415,214	\$ 1,344,512
Loans, net of unearned income (3)	1,826,762	1,646,223	1,141,480	862,652	859,684
Securities	428,065	399,034	371,581	414,270	344,781
Deposits	2,108,965	1,868,451	1,318,677	1,133,931	1,099,048
Borrowings	216,423	266,505	191,547	125,572	91,806
Shareholders' equity	252,704	235,440	179,042	137,625	132,778
Tangible shareholders' equity	154,408	134,608	128,618	131,755	126,415
<b>Selected Performance Ratios:</b>					
Return on average assets	1.08%	1.03%	1.18%	1.33%	1.25%
Return on average equity	11.00%	10.29%	11.52%	13.41%	12.85%
Return on average tangible equity	19.10%	19.08%	14.50%	14.32%	13.88%
Dividend payout ratio	36.67%	37.66%	38.31%	34.25%	35.59%
Net interest margin (4)	3.93%	4.04%	4.14%	4.23%	4.66%
Efficiency ratio (5)	66.75%	67.70%	66.94%	63.16%	61.55%
Net overhead ratio (6)	1.72%	1.86%	1.81%	1.55%	1.76%
<b>Asset Quality Ratios: (7)</b>					
Net loans charged-off to average loans	0.07%	0.20%	0.32%	0.20%	0.42%
Ratio of nonperforming assets to total assets	0.61%	0.44%	0.64%	0.64%	0.50%
Ratio of nonperforming loans to total loans	0.62%	0.38%	0.76%	0.85%	0.42%
Ratio of allowance for loan losses to nonperforming loans	173.05%	291.94%	166.11%	181.09%	338.22%
Ratio of allowance for loan losses to total loans	1.07%	1.12%	1.26%	1.53%	1.42%
<b>Capital Ratios:</b>					
Tier 1 leverage ratio (8)	8.95%	8.73%	8.97%	10.85%	9.28%
Tier 1 risk-based capital	11.31%	11.31%	12.40%	16.21%	13.72%
Total risk-based capital	12.31%	12.35%	13.61%	17.46%	14.97%
Average equity to average assets	9.83%	10.00%	10.21%	9.89%	9.75%
<b>Other Data:</b>					
Office locations (9)	60	58	48	39	40
Full-time equivalent employees	813	789	703	580	587

- (1) Selected historical financial data includes the effect of acquisitions from the date of each acquisition. Refer to Note T, "Mergers and Acquisitions," in the Notes to the Consolidated Financial Statements in Renasant's Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference into this proxy statement/prospectus, for additional information about these acquisitions.
- (2) Amounts have been restated to reflect the effect of Renasant's three-for-two stock split effected in the form of a share dividend on August 28, 2006 and the three-for-two stock split effected in the form of a share dividend on December 1, 2003.
- (3) Does not include loans held for sale.
- (4) Net interest margin is net interest income, on a fully taxable equivalent basis, divided by total average earning assets.

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- (5) Efficiency ratio is noninterest expense divided by the sum of net interest income, on a fully taxable equivalent basis, and noninterest income.
- (6) Net overhead ratio is the difference between noninterest expense and noninterest income, divided by average assets.
- (7) Nonperforming loans include loans 90 or more days past due, nonaccrual loans and restructured loans.
- (8) Tier 1 leverage ratio is defined as Tier 1 capital (pursuant to risk-based capital guidelines) as a percentage of adjusted average assets.
- (9) Includes banking (including loan production), financial services and mortgage offices.

**GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures**

Certain financial information included in Renasant's selected historical financial data is determined by methods other than in accordance with accounting principles generally accepted within the United States, or GAAP. These non-GAAP financial measures are tangible book value per share, tangible shareholders' equity and return on average tangible equity. Renasant's management uses these non-GAAP measures in its analysis of its performance.

Tangible book value per share is defined as total equity reduced by recorded goodwill and other intangible assets divided by total common shares outstanding. This measure is important to investors interested in changes from period-to-period in book value per share exclusive of changes in intangible assets. Goodwill, an intangible asset that is recorded in a purchase business combination, has the effect of increasing total book value while not increasing the tangible assets of a company. For companies such as Renasant that have engaged in business combinations, purchase accounting can result in the recording of significant amounts of goodwill related to such transactions.

Tangible shareholders' equity is shareholders' equity less goodwill and other intangible assets.

Return on average tangible equity is defined as earnings for the period divided by average equity reduced by average goodwill and other intangible assets.

These disclosures should not be viewed as a substitute for results determined in accordance with GAAP, and are not necessarily comparable to non-GAAP performance measures which may be presented by other companies. The following reconciliation table provides a more detailed analysis of these non-GAAP performance measures:

	2006	At and for the Years Ended December 31,			2002
		2005	2004	2003	
		(Dollars in thousands, except per share data)			
Book value per common share	\$ 16.27	\$ 15.22	\$ 13.19	\$ 11.19	\$ 10.59
Effect of intangible assets per share	(6.33)	(6.52)	(3.71)	(0.47)	(0.51)
Tangible book value per share	9.94	8.70	9.48	10.72	10.08
Shareholders' equity	\$ 252,704	\$ 235,440	\$ 179,042	\$ 137,625	\$ 132,778
Intangible assets	(98,296)	(100,832)	(50,424)	(5,870)	(6,363)
Tangible shareholders' equity	154,408	134,608	128,618	131,755	126,415
Return on average equity	11.00%	10.29%	11.52%	13.41%	12.85%
Effect of intangible assets	8.10%	8.79%	2.98%	0.91%	1.03%
Return on average tangible equity	19.10%	19.08%	14.50%	14.32%	13.88%

**Table of Contents****SELECTED HISTORICAL FINANCIAL DATA OF CAPITAL**

The following table sets forth selected historical consolidated financial data from Capital's consolidated financial statements and should be read in conjunction with Capital's consolidated financial statements, including the notes thereto, and with Management's Discussion and Analysis of Financial Condition and Results of Operations contained in its Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference in this proxy statement prospectus. The selected historical consolidated financial data as of December 31, 2006, 2005, 2004, 2003 and 2002, and for the five years ended December 31, 2006 is derived from Capital's audited consolidated financial statements and related notes. Capital's consolidated financial statements for the year ended December 31, 2006 were audited by Porter Keadle Moore, LLP, independent registered public accounting firm. Capital's consolidated financial statements for the years ending December 31, 2005, 2004, 2003 and 2002 were audited by Maggart & Associates, P.C., independent registered public accounting firm. The financial information presented in the table below is not necessarily indicative of the financial condition, results of operations or cash flows of any other period.

**CAPITAL SELECTED CONSOLIDATED****HISTORICAL FINANCIAL DATA***(Unaudited)**(In Thousands, Except Share Data)*

<b>Year ended December 31,</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>Income Statement Data:</b>					
Interest income	\$ 37,310	\$ 26,728	\$ 17,724	\$ 15,029	\$ 13,721
Interest expense	18,516	11,229	5,958	5,261	5,170
Provision for loan losses	1,328	1,665	1,514	1,090	1,090
Noninterest income	2,637	2,277	2,210	2,578	1,978
Noninterest expense	13,576	11,127	8,555	7,568	6,853
Income before income taxes	6,527	4,984	3,907	3,688	2,586
Income taxes	2,346	1,760	534	1,291	959
Net income	4,181	3,224	3,373	2,367	1,627
<b>Per Share Common Data:</b>					
Net-income basic	\$ 1.18	\$ 0.93	\$ 1.04	\$ 0.77	\$ 0.52
Net income diluted	1.14	0.88	1.00	0.72	0.50
Book value at period end	9.75	8.22	7.45	6.62	5.95
Closing stock price at period end	25.00	19.00	20.60	10.13	9.19
<b>Balance Sheet Data at Period End:</b>					
Loans, net of unearned income	\$ 458,593	\$ 385,098	\$ 289,338	\$ 214,334	\$ 173,385
Securities	67,784	57,040	60,789	47,144	43,347
Assets	564,442	473,894	374,109	281,969	239,405
Deposits	464,952	378,670	280,027	224,230	189,895
Long term debt	52,984	54,493	41,536	24,507	25,787
Shareholders' equity	34,969	28,612	25,788	20,843	18,632

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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA OF RENASANT**

The following unaudited pro forma condensed combined financial data (the pro forma financial information ) set forth below gives effect to the following transactions as if they had occurred on January 1, 2006, in the case of the consolidated income statement data, and December 31, 2006, in the case of consolidated balance sheet data:

The sale of approximately 2.5 million shares of Renasant common stock in a public offering that Renasant expects to complete prior to the special meeting of Capital stockholders, and Renasant's receipt of approximately \$56.2 million in estimated net proceeds after deducting the underwriting discount and the estimated expenses of the offering; and

The merger of Renasant and Capital, and the related issuance of approximately 2.674 million shares of Renasant common stock and payment of approximately \$55 million in cash. The foregoing assumes that 60% of the merger consideration will be paid in stock and 40% will be paid in cash. In the event that both the market value of Renasant common stock and the value of the NASDAQ Bank Index decline by amounts specified in the merger agreement as of the date of determination, Renasant may adjust the exchange ratio used in the merger agreement to account for the decline in the value of its stock price; if no adjustment is made, Capital may terminate the merger agreement. The pro forma financial information shows the impact of the merger on the companies' respective financial positions and results of operations under the purchase method of accounting with Renasant as the acquiror. Under this method of accounting, Renasant will record the assets and liabilities of Capital at their estimated fair values as of the date the merger is completed.

According to the terms of the merger agreement that was announced on February 5, 2007, each Capital stockholder can elect to receive one of the three following options: (1) 1.2306 shares of Renasant common stock for each share of Capital common stock, (2) \$38.00 in cash for each share of Capital common stock, or (3) a combination of 40% cash, in the amount listed above, and 60% common stock, at the exchange ratio listed above. The merger agreement imposes an overall limitation that the aggregate stock consideration be no more than 65% and no less than 60% of the total consideration received by Capital stockholders. In the event that both the market value of our common stock and the value of the NASDAQ Bank Index decline by amounts specified in the merger agreement as of the date of determination, we may adjust the exchange ratio used in the merger to account for the decline in the value of our stock price; if no adjustment is made, Capital may terminate the merger agreement.

The pro forma financial information has been derived from, and should be read in conjunction with, the historical consolidated financial statements and related notes of Renasant and Capital incorporated by reference herein. The pro forma financial information is presented for illustrative purposes only and does not purport to be indicative of the operating results or financial position that would have actually occurred or existed if the transactions above had occurred on the dates indicated, nor is it indicative of Renasant's future operating results or Renasant's financial position. The pro forma adjustments are based on the information and assumptions available at the date of this proxy statement/prospectus. This pro forma financial information does not include any cost savings or revenue enhancements that may be achieved or realized as a result of the acquisition of Capital. In addition, as explained in more detail in the accompanying notes to the pro forma financial information, the allocation of the purchase price for the Capital acquisition that is reflected in the pro forma financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded upon completion of the Capital acquisition.

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	As of the Year Ended December 31, 2006				
	Renasant	Equity Adjustments (1)	Capital (Dollars in thousands)	Capital Adjustments	Combined
<b>Consolidated Balance Sheet Data:</b>					
Cash and due from banks	\$ 98,201	\$ 56,150	\$ 11,234	\$ (58,277)(2)	\$ 107,308
Investment securities	428,065		67,784		495,849
Mortgage loans held for sale	38,672		1,589		40,261
Loans, net of unearned income	1,826,762		464,198	(3,271)(3)	2,287,689
Allowance for loan losses	(19,534)		(5,605)		(25,139)
Net loans	1,807,228		458,593	(3,271)	2,262,550
Premises and equipment	41,350		5,780	1,000(4)	48,130
Intangibles	98,296			103,373(5)	201,669
Other assets	99,544		19,462	(1,509)(6)	117,497
Total assets	\$ 2,611,356	\$ 56,150	\$ 564,442	\$ 41,316	\$ 3,273,264
Deposits	\$ 2,108,965	\$	\$ 464,952	\$ 1,037(7)	\$ 2,574,954
Borrowings	216,423		56,984	(633)(8)	272,774
Other liabilities	33,264		7,537		40,801
Total liabilities	2,358,652		529,473	404	2,888,529
Shareholders' equity	252,704	56,150	34,969	40,912(9)	384,735
Total liabilities and shareholders' equity	\$ 2,611,356	\$ 56,150	\$ 564,442	\$ 41,316	\$ 3,273,264

\* In the adjustment columns, bracketed items ( ) represent credits, non bracketed items represent debits.

	For the Year Ended December 31, 2006				
	Renasant	Equity Adjustments (1)	Capital (Dollars in thousands, except per share data)	Capital Adjustments	Combined
<b>Consolidated Income Statement Data:</b>					
Interest income	\$ 154,293	\$	\$ 37,310	\$ 1,636(3)	\$ 193,239
Interest expense	70,230		18,516	(766)(7)(8)	87,980
Net interest income	84,063		18,794	2,402	105,259
Provision for loan losses	2,408		1,328		3,736
Net interest income after provision for loan losses	81,655		17,466	2,402	101,523
Noninterest income	45,943		2,637		48,580
Noninterest expense	89,006		13,576	945(4)(5)	103,527
Income taxes	11,467		2,346	557(10)	14,370
Net income	\$ 27,125	\$	\$ 4,181	\$ 900	\$ 32,206
<b>Per Common Share:</b>					
Book value per share at year end	\$ 16.27	\$ 3.12	\$ 9.75	\$ 1.98	\$ 18.59
Basic earnings per share	1.75		1.18	0.34	1.56
Diluted earnings per share	1.71		1.14	0.32	1.52

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Average shares outstanding basic	15,515,223	2,486,531(11)	3,537,936	2,674,026(12)	20,675,780
Average shares outstanding diluted	15,853,014	2,486,531(11)	3,655,102	2,855,054(12)	21,194,599



**Table of Contents****Note 1 Basis of Pro Forma Presentation**

The pro forma financial information related to the merger and equity offering is included as of and for the year ended December 31, 2006. The pro forma adjustments assume that 60% of the merger consideration will be paid in Renasant common stock and 40% in cash. The estimated purchase price of \$134.2 million, which includes the value of assumed stock options and estimated transaction costs, is based on a per share price for Renasant common stock of \$26.59, the average price of Renasant's common stock as quoted on The NASDAQ Global Select Market over a five-day period beginning on February 2, 2007.

The pro forma adjustments included herein also reflect the sale of approximately 2.5 million shares of Renasant's common stock in a public offering and the receipt of approximately \$56.2 million in estimated net proceeds. Renasant expects to complete this public offering prior to the special meeting of Capital stockholders. A portion of the net proceeds of the public offering will be used to pay the cash portion of the merger consideration.

The merger will be accounted for using the purchase method of accounting and, accordingly, the pro forma financial information includes estimated adjustments to record the assets and liabilities of Capital at their respective fair values and represents management's estimates based on available information. The pro forma adjustments included herein may be revised as additional information becomes available and as additional analyses are performed. The final allocation of the purchase price will be determined after the merger is completed and after completion of a final analysis to determine the fair values of Capital's tangible, and identifiable intangible, assets and liabilities as of the completion date. Therefore, the final purchase accounting adjustments and integration charges may be materially different from the pro forma adjustments presented in this document. Increases or decreases in the fair value of the net assets of Capital as compared to the information shown in this document may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact the statement of income due to adjustments in yield and/or amortization or accretion of the adjusted assets or liabilities.

The pro forma financial information presented in this document does not necessarily indicate the results of operations or the combined financial position that would have resulted had the merger been completed at the beginning of the applicable period presented, nor is it indicative of the results of operations in future periods or the future financial position of the combined company.

The following table summarizes the allocation of purchase price to assets and liabilities acquired based on their fair values on December 31, 2006:

**Allocation of Purchase Price (dollar amounts in thousands, except per share data)**

<b>Purchase Price:</b>		
Capital shares to settled in Renasant stock (assuming 60%)*	2,172,945	
Exchange factor	1.2306	
Renasant shares to be issued	2,674,026	
Purchase price per Renasant common share	\$ 26.59	
Value of Renasant shares issued		\$ 71,102
Capital shares to settled in cash (assuming 40%)*	1,448,630	
Cash price for Capital shares	\$ 38.00	
Cash paid for Capital shares		55,048
Fair value of Capital options assumed		4,779
Transaction costs		3,229
<b>Total Purchase Price</b>		<b>\$ 134,158</b>

**Table of Contents****Net Assets Acquired:**

Capital s stockholders equity		\$ 34,969	
<b>Adjustments to reflect fair value of assets and liabilities acquired:</b>			
Loans, net of unearned income		(3,271)	
Premises and equipment		1,000	
Core deposits intangible		4,797	
Non-compete agreements		1,000	
Deposits		(1,037)	
Borrowings		633	
Deferred income taxes		(1,509)	36,582
<b>Goodwill resulting from merger</b>			<b>\$ 97,576</b>

\* Assumes 3,621,575 shares outstanding

**Note 2 Pro Forma Adjustments**

The pro forma financial information for the merger and equity offering includes the pro forma condensed combined balance sheet as of December 31, 2006 assuming that both the merger with Capital and Renasant s public offering of its common stock were completed on December 31, 2006. The pro forma income statement for the year ended December 31, 2006 was prepared assuming the merger with Capital and Renasant s public offering were completed on January 1, 2006.

The pro forma financial information reflects the issuance of approximately 2.7 million shares of Renasant s common stock with an aggregate value of \$71.1 million and the conversion of approximately 246,000 Capital stock options with a fair value of approximately \$4.8 million. The aggregate value of the common stock is calculated using the average price of Renasant s common stock as quoted on The NASDAQ Global Select Market over a five day period beginning on February 2, 2007.

The pro forma adjustments included in the unaudited pro forma condensed combined balance sheet as of December 31, 2006 and the pro forma condensed combined statements of income for the year ended December 31, 2006 are as follows:

- (1) **Equity Adjustment** Adjustment to reflect the net proceeds from the sale of approximately 2.5 million shares of Renasant common stock in a public offering, after deducting underwriting discounts and other estimated offering expenses (based on an offering size of \$60.0 million and excluding any proceeds from the exercise of the underwriters overallotment option, if exercised, to purchase approximately 372,980 additional shares of Renasant common stock).
- (2) **Capital Adjustment** Adjustment to reflect the payment of the cash portion of the merger consideration to Capital stockholders. Also reflects the payment of approximately \$3,229,000 of anticipated merger related expenses. Anticipated merger related expenses consist of investment banking fees, legal fees, accounting fees, registration fees, employment contracts, printing costs, etc.
- (3) **Capital Adjustment** Adjustment to fair-value the loan and lease portfolio. The adjustment will be recognized over the estimated remaining life of the loan and lease portfolio. The impact of the adjustment was to increase interest income by approximately \$1,636,000 for the year ended December 31, 2006.
- (4) **Capital Adjustment** Adjustment to fair-value the premises and equipment. The adjustment will be recognized over the life of the premises and equipment. The impact of the adjustment was to increase noninterest expense by approximately \$25,000 for the year ended December 31, 2006.
- (5)

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Capital Adjustment Adjustments to record goodwill and amortizable intangible assets of core deposit intangible and employment agreements created as a result of the merger. Adjustment reflects

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approximately \$97,576,000 in goodwill which does not have an impact on the pro forma condensed combined statement of income. The core deposit intangible of \$4,797,000 is recognized over an estimated useful life of 10 years on a 150% declining balance basis. The value of employment agreements of \$1,000,000 is recognized straight-line over an estimated useful life of 5 years. The amortization expense associated with the core deposit intangible and employment agreements increased noninterest expense \$720,000 and \$200,000 respectively, for the year ended December 31, 2006.

- (6) Capital Adjustment Adjustment to reflect the deferred taxes associated with the adjustments to record the assets and liabilities of Capital at fair value using Renasant's statutory tax rate of 38.25%.
- (7) Capital Adjustment Adjustment to fair-value the fixed rate deposit liabilities based on current interest rates for similar instruments. The adjustment will be recognized over the estimated remaining term of the related deposit liability. The impact of the adjustment was to decrease interest expense by approximately \$1,037,000 for the year ended December 31, 2006.
- (8) Capital Adjustment Adjustment to fair-value the outstanding long-term debt instruments. The adjustment will be recognized over the remaining life of the long-term-debt instruments. The impact of the adjustment was to increase interest expense by approximately \$271,000 for the year ended December 31, 2006.
- (9) Capital Adjustment Adjustment to eliminate Capital's historical stockholders' equity and additionally to reflect the issuance of Renasant common stock to Capital stockholders and the conversion of Capital stock options into Renasant stock options.
- (10) Capital Adjustment Adjustment to reflect the tax effect of the purchase accounting adjustments using Renasant's statutory tax rate of 38.25%.
- (11) Equity Adjustment Adjustment to reflect the issuance of approximately 2.5 million shares of Renasant common stock in a public offering.
- (12) Capital Adjustment Adjustment to reflect the number of Renasant's common shares issued, including the incremental number of shares issued for Capital's options using the Treasury Stock Method, using the exchange ratio of 1.2306 shares of Renasant's common stock for each share of Capital common stock.

**Table of Contents****COMPARATIVE PER SHARE DATA**

The following table sets forth for Renasant common stock and Capital common stock historical, pro forma and pro forma-equivalent per share financial information. The pro forma and pro forma-equivalent per share information assumes that Renasant has completed the sale of approximately 2.5 million shares of Renasant common stock in a public offering which Renasant expects to complete prior to the special meeting of Capital stockholders. In addition, with respect to book value information, the pro forma and pro forma-equivalent per share information gives effect to the merger of Capital into Renasant as if the merger had been effective as of December 31, 2006. With respect to net income per share data, the pro forma and pro forma-equivalent per share information gives effect to the merger of Capital into Renasant as if merger had been effective as of January 1, 2006. The pro forma data in the tables assume that the mergers are accounted for using the purchase method of accounting and represent a current estimate based on available information of the combined company's results of operations. See *The Merger Accounting Treatment* on page of this proxy statement/prospectus. The pro forma financial adjustments record the assets and liabilities of Capital at its estimated fair value and is subject to adjustment as additional information becomes available and as additional analyses are performed. This table should be read in conjunction with, and is qualified in its entirety by, the historical financial statements, including the notes thereto, of Renasant and Capital. See *Where You Can Find More Information* on page of this proxy statement/prospectus in order to obtain copies of such historical financial statements.

The unaudited comparative per share data is presented for illustrative purposes only and does not indicate the financial results of the combined companies had the companies actually been combined at the beginning of each period presented and had the impact of possible revenue enhancements and expense efficiencies, among other factors, been considered and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the companies been combined during this period.

Capital has not historically paid cash dividends on its common stock.

	<b>December 31, 2006</b>		
		<i>(12 months)</i>	
	<b>Income*</b>	<b>Book Value**</b>	<b>Cash Dividends</b>
Renasant Historical	\$ 1.71	\$ 16.27	\$ 0.63
Capital Historical	1.14	9.75	-0-
Pro Forma Combined	1.52	18.59	0.63
Per Equivalent Capital Share***	1.87	22.88	0.77

\* Income per share is calculated on diluted shares.

\*\* Book Value per share is calculated on the number of shares outstanding as of the end of the period.

\*\*\* Per Equivalent Capital Share is pro forma combined multiplied by the exchange factor of 1.2306.

**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE INFORMATION**

Renasant common stock trades on The NASDAQ Global Select Market under the symbol `RNST`, and Capital common stock trades on the over the counter electronic bulletin board under the symbol `CPBB.OB`. The following table presents the closing prices of Renasant common stock and Capital common stock on February 2, 2007, the last trading day before the announcement of the merger, and on \_\_\_\_\_, 2007, the last practicable date prior to mailing this proxy statement/prospectus. The table also presents the equivalent value of the merger consideration per share of Capital common stock on those dates calculated by multiplying the closing price of Renasant common stock on those dates by 1.2306, representing the number of shares of Renasant common stock that Capital stockholders electing to receive Renasant common stock would receive in the merger for each share of Capital common stock.

<b>Date</b>	<b>Renasant Closing Price</b>	<b>Capital Closing Price</b>	<b>Equivalent Per Share Value</b>
February 2, 2007	\$ 27.92	\$ 25.75	\$ 34.36
_____, 2007	\$ [ ]	\$ [ ]	\$ [ ]

The market price of shares of Renasant common stock is subject to fluctuation. As a result, Capital stockholders are urged to obtain current market quotations for Renasant common stock.

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**THE SPECIAL MEETING**

***Purpose, Time and Place***

This proxy statement/prospectus is being furnished to you in connection with the solicitation of proxies by the Capital board of directors from holders of Capital common stock, the only class of Capital stock outstanding, for use at the special meeting to be held at 1808 West End Avenue, Nashville, Tennessee, on \_\_\_\_\_, June \_\_\_\_\_, 2007, at \_\_\_\_\_ local time and at any adjournments or postponements of the special meeting. This proxy statement/prospectus and the form of election are first being distributed to Capital stockholders on or about \_\_\_\_\_, 2007.

At the special meeting, holders of Capital common stock will be asked to consider and vote upon:

a proposal to adopt and approve the merger agreement and the merger;

such other matters as may properly come before the meeting.

***Record Date; Voting Power***

The Capital board of directors has fixed the close of business on \_\_\_\_\_, 2007 as the record date for determining the holders of Capital common stock entitled to notice of, and to vote at, the special meeting. Only holders of record of Capital common stock at the close of business on the record date will be entitled to notice of, and to vote at, the special meeting.

On the record date, \_\_\_\_\_ shares of Capital common stock were issued and outstanding and entitled to vote at the special meeting. Each share of Capital common stock is entitled to one vote on any matter which may properly come before the special meeting. Votes may be cast at the special meeting in person or by proxy.

***Quorum***

The presence at the special meeting, either in person or by proxy, of the holders of a majority of the outstanding Capital common stock entitled to vote is necessary to constitute a quorum in order to transact business at the special meeting. However, if a quorum is not present at the special meeting, it is expected that the meeting will be adjourned or postponed in order to solicit additional proxies.

***Votes Required***

Approval of the proposal to adopt and approve the merger agreement and the merger will require the affirmative vote of a majority of the outstanding shares of Capital common stock. Under applicable Tennessee law, in determining whether the proposal to adopt and approve the merger agreement and the merger has received the requisite number of affirmative votes, abstentions and failures to vote will have the same effect as a vote against the proposal.

Capital stockholders may not cumulate votes on the proposal to adopt and approve the merger agreement and the merger.

***Share Ownership of Management and Certain Stockholders***

As of the record date, directors and executive officers of Capital and Capital Bank and their affiliates may be deemed to be the beneficial owners of approximately \_\_\_\_\_ outstanding shares of Capital common stock, including shares subject to options not exercised but currently exercisable (collectively representing approximately \_\_\_\_\_ % of the voting power of the common stock). The directors and executive officers of Capital and Capital Bank are parties to agreements with Renasant whereby they agreed, in their capacity as stockholders

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of Capital, to vote their shares for adoption and approval of the merger agreement and the merger. Renasant and Capital have been informed that approximately % of the outstanding shares of Capital common stock owned by the directors and executive officers of Capital and Capital Bank and their respective affiliates will be voted in favor of the approval and adoption of the merger agreement and the merger.

### ***Voting of Proxies***

Shares represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in the manner specified by such proxies. If your proxy is properly executed but does not contain voting instructions, your proxy will be voted FOR adoption and approval of the merger agreement and the merger. If other matters are properly presented before the special meeting, the persons named in such proxy will have authority to vote in accordance with their judgment on any other such matter, including without limitation, any proposal to adjourn or postpone the meeting or otherwise concerning the conduct of the special meeting. Please note, however, that a proxy that has been designated to vote against the adoption and approval of the merger agreement and the merger will not be voted, either directly or through a separate proposal, to adjourn the meeting to solicit additional votes. It is not expected that any matter other than as described in this proxy statement/prospectus will be brought before the special meeting.

If a stockholder holds shares of Capital in a broker's name (sometimes called street name or nominee name), then the stockholder must provide voting instructions to the broker. If the stockholder does not provide instructions to the broker, the shares will not be voted on any matter on which the broker does not have discretionary authority to vote, which includes the vote on the merger. A vote that is not cast for this reason is called a broker non-vote. Broker non-votes will be treated as shares present for the purpose of determining whether a quorum is present at the meeting. For purposes of the vote on the merger agreement, a broker non-vote is the same as a vote AGAINST the merger agreement. For purposes of the vote on other matters properly brought at the special meeting, broker non-votes will not be counted as a vote FOR or AGAINST such matter or as an abstention on such matter.

### ***Revocability of Proxies***

The grant of a proxy on the enclosed proxy card does not preclude a stockholder from voting in person at the special meeting. You may revoke a proxy at any time prior to your proxy being voted at the special meeting by:

delivering, prior to the special meeting, a written notice of revocation bearing a later date or time than the proxy to the Secretary of Capital at 1808 West End Avenue, Nashville, Tennessee 37203;

submitting another proxy by mail that is later dated and properly signed; or

if you are the record owner of shares of Capital common stock, attending the special meeting and voting such shares in person.

If your shares are held in the name of a broker, bank, trustee or other nominee, you should contact such person to change your vote. Attendance at the special meeting will not by itself constitute revocation of a proxy. If an adjournment or postponement occurs, it will have no effect on the ability of stockholders of record as of the record date to exercise their voting rights or to revoke any previously delivered proxies.

### ***Solicitation of Proxies***

Capital generally will bear the cost of solicitation of proxies. In addition to solicitation by mail, the directors, officers and employees of Capital and its subsidiaries may solicit proxies from stockholders by telephone, facsimile or in person. These individuals will receive no additional compensation for any solicitation undertaken with respect to proxies for the special meeting.



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***Directors and Officers of Surviving Corporation***

If you approve the merger, which is described below, Capital will merge into Renasant, which will be the surviving corporation. The directors and officers of Renasant in office immediately prior to the closing date of the merger will remain in office after the closing date of the merger, until their respective successors are duly elected, appointed or qualified or until their earlier death, resignation or removal in accordance with the Articles of Incorporation and Bylaws of Renasant. In addition, effective immediately after the closing of the merger:

Renasant has agreed to appoint Albert J. Dale, III, R. Rick Hart and Michael D. Shmerling to its board of directors and the board of directors of Renasant Bank;

R. Rick Hart will manage our operations in our middle Tennessee market as an Executive Vice President of Renasant and President of the Tennessee Division of Renasant Bank; and

John W. Gregory, Jr. will serve as Executive Vice President of Renasant Bank.

Information with respect to the directors and officers of Renasant, and their duties, compensation and transactions, if any, with Renasant can be found under the headings Directors and Executive Officers and Corporate Governance, Executive Compensation and Certain Relationships and Related Transactions and Director Independence in the Company's most recent annual report on Form 10-K, dated March 7, 2007 and filed with the Securities and Exchange Commission. Such annual report is incorporated by reference into this proxy statement/prospectus.

Information with respect to R. Rick Hart, John W. Gregory, Jr., Albert J. Dale, III and Michael D. Shmerling, their respective ownership of Capital common stock, and their duties, compensation and transactions, if any, with Capital can be found under the headings Directors and Executive Officers and Corporate Governance ; Executive Compensation ; Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters ; and Certain Relationships and Related Transactions and Director Independence in Capital's most recent annual report on Form 10-K, dated March 8, 2007, as amended by amendment number one to Form 10-K dated March 9, 2007, and filed with the Securities and Exchange Commission. Such annual report is incorporated by reference into this proxy statement/prospectus.

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**THE MERGER**

The discussion in this proxy statement/prospectus of the merger and the principal terms of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement and the related articles of merger, copies of which accompany this proxy statement/prospectus as Annex A-1 and A-2, respectively, and are incorporated into this proxy statement/prospectus by reference. References in this discussion and elsewhere in this proxy statement/prospectus to the merger are to the merger of Capital with and into Renasant, unless the context clearly indicates otherwise.

***General***

On February 5, 2007, the Capital board of directors unanimously approved the merger agreement and the merger. If all of the conditions set forth in the merger agreement are satisfied or waived (to the extent permitted by law) and if the merger is otherwise completed, Capital will merge with and into Renasant, and Renasant will be the surviving corporation and will continue its corporate existence under Mississippi law. Immediately after the merger of Capital with and into Renasant, Capital Bank will merge with and into Renasant Bank, and Renasant Bank will be the surviving corporation and will continue its existence under Mississippi law.

Upon consummation of the merger, all shares of Capital common stock outstanding immediately before the closing date of the merger (except as provided below) will, by virtue of the merger and without any action on the part of any stockholder, and subject to the election, redesignation procedures and adjustment procedures described below, be converted into the right to receive (1) \$38.00 in cash, without interest, for each share of Capital common stock or (2) 1.2306 shares of Renasant common stock, plus cash in lieu of any fractional share interest, for each share of Capital common stock.

Capital stockholders will have the opportunity to elect the form of consideration to be received for all shares of Capital common stock held by them, subject to redesignation procedures set forth in the merger agreement. The redesignation procedures are intended to ensure that not less than 60% or more than 65% of the outstanding shares of Capital common stock in the aggregate will be converted into the right to receive Renasant common stock and that not less than 35% or more than 40% of the outstanding shares of Capital common stock in the aggregate will be converted into the right to receive cash. The redesignation procedures are described in more detail below. Shares of Capital common stock held by Renasant or Capital or their subsidiaries, other than in a fiduciary capacity, or by Capital stockholders who have elected to exercise and have maintained dissenters' rights, will not be converted into the right to receive the merger consideration upon completion of the merger.

***Background of the Merger***

In early October 2005, representatives of Hovde Financial, LLC ( Hovde Financial ), an investment banking firm, met with Renasant executives to discuss recent merger and acquisition activity and Renasant's interest in acquiring an institution in the Nashville, Tennessee market. Also in early October 2005, R. Rick Hart, Capital's Chairman, Chief Executive Officer and President, and John W. Gregory, Jr., Capital's Chief Operating Officer and Secretary, met with representatives of Hovde Financial for an update on relevant market developments and merger and acquisition transactions. At this meeting, Hovde Financial recommended that Capital consider strategic planning options to maximize stockholder value.

In the first quarter of 2006, representatives of Hovde Financial presented an analysis of Capital's available strategic alternatives to Capital's board of directors as described in Capital's Reasons for the Merger Alternatives below. After the presentation, representatives of Hovde Financial arranged an introductory visit between E. Robinson McGraw, Renasant's Chief Executive Officer, and Messrs. Hart and Gregory. In March 2006, Mr. McGraw traveled to Nashville, Tennessee, where he met Messrs. Hart and Gregory, learned generally about Capital's operations and expressed Renasant's interest in purchasing loan participations from Capital. At

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approximately the same time, representatives of Hovde Financial met with another potential acquirer to determine its level of interest in a possible acquisition of Capital.

In early May 2006, Mr. McGraw and Harold Livingston, Renasant's Chief Credit Officer, traveled to Nashville, Tennessee and met with Messrs. Hart and Gregory for further discussions regarding Renasant's purchase of loan participations from Capital and Capital's operations. Subsequent to this meeting, Hovde Financial presented a preliminary term sheet to both Renasant and the other potential acquirer. While Renasant indicated interest in pursuing discussions with Capital, the other potential acquirer indicated that it would not be able to pursue negotiations on the proposed terms.

In August 2006, Messrs. Hart and Gregory traveled to Tupelo, Mississippi to visit Renasant and learn more about its operations. In early September 2006, Messrs. Hart, Gregory and McGraw commenced discussions regarding the terms of a potential merger of Renasant and Capital, and Hovde Financial presented an update of its strategic analysis to Messrs. Hart and Gregory. On September 16, 2006, Messrs. Hart, Gregory, McGraw and Stuart Johnson, Renasant's Chief Financial Officer, met briefly while attending an investor conference in New York City and continued their discussions.

From October through early December 2006, Messrs. Hart and Gregory and representatives of Hovde Financial engaged in detailed discussions on Capital's behalf with Messrs. McGraw and Johnson regarding specific merger terms, social issues, tax implications, employment agreement terms for Messrs. Hart and Gregory, financial impact, modeling analysis, and deal structure. On December 11, 2006, after negotiations with Messrs. McGraw and Johnson and Renasant's financial advisor, Keefe Bruyette & Woods (KBW), regarding pricing issues, Hovde Financial received a verbal preliminary indication as to the proposed per share transaction value from Renasant. On December 19, 2006, representatives of Hovde Financial met with Messrs. Hart and Gregory to discuss Renasant's preliminary verbal indication, its potential ability to pay, modeling analysis, transaction structure, and additional terms of the merger.

On December 20, 2006, Mr. Hart informed Hovde Financial that the preliminary price proposed by Renasant was not acceptable, and Hovde Financial subsequently advised KBW and Renasant accordingly. On December 21, 2006, Messrs. Hart and McGraw met in Lexington, Tennessee, and following further negotiations agreed upon the price, cash/stock mix, price protections and other business terms of the prospective merger as set forth in the merger agreement and described in this proxy statement, subject in each case to approval by their respective boards of directors and, to the extent applicable, stockholders.

On January 3, 2007, the Capital board of directors met with counsel to discuss the proposed terms of the merger, the legal implications of the proposed transaction, and the obligations of directors when considering a merger. The board also met with representatives of Hovde Financial to discuss the financial terms and impact of the proposed transaction. Following this discussion, the board authorized management to proceed with due diligence and the negotiation and preparation of a definitive merger agreement with Renasant.

Between January 12, 2007 and January 31, 2007, Renasant and Capital both conducted on-site due diligence. They also negotiated, with the assistance of counsel and their respective financial advisors, the terms of the merger agreement. Messrs. Hart and Gregory also negotiated, with counsel's assistance, the terms of their proposed employment agreements with Renasant.

On February 1, 2007, KBW representatives made a presentation to Renasant's board of directors at which they discussed, among other things, the fairness, from a financial point of view, to Renasant of the merger consideration to be paid to Capital stockholders. Following this presentation and further discussion, Renasant's board of directors unanimously approved the proposed merger and merger agreement and authorized management to finalize and execute and deliver the merger agreement and all related documents on behalf of Renasant.

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On the morning of February 5, 2007, the Capital board of directors met with counsel and representatives of Hovde Financial. Counsel reviewed the board's fiduciary duties regarding this consideration of the merger and summarized the provisions of the merger agreement. Following the board's discussion of the terms of the merger and the directors' obligations relating to the transaction, the Hovde Financial representatives presented Hovde Financial's verbal and written opinions that as of that date, the total transaction consideration to be issued in the proposed merger was fair, from a financial point of view, to Capital's stockholders. Following this presentation and further discussion, the board voted unanimously to approve the proposed merger and merger agreement and authorized management to execute and deliver the merger agreement and all related documents on behalf of Capital.

After the market closed on February 5, 2007, Renasant and Capital executed the merger agreement and issued a joint press release announcing the proposed merger.

### ***Capital's Reasons for the Merger***

In reaching its determination that the merger and the merger agreement are fair to, and in the best interest of, Capital and its stockholders, Capital's board of directors consulted with its financial advisor and counsel, as well as with Capital's management, and considered a number of factors, including, without limitation, the following:

*Merger Consideration* the value of the consideration to be received by Capital's stockholders relative to the book value and earnings per share of Capital common stock and the price protection afforded to Capital's stockholders in the event of a significant decrease in the market price of the Renasant common stock.

*Market Prices* the historic and current market prices and trading volumes of Capital's and Renasant's common stock.

*Information Regarding Renasant* information concerning Renasant's financial condition, results of operations, dividend history and business prospects.

*Terms of Comparable Transactions* the financial terms of recent business combinations in the financial services industry and a comparison of the multiples of selected comparable combinations with the terms of the proposed merger with Renasant.

*Liquidity* the merger will enable Capital's stockholders to exchange their relatively illiquid shares of Capital's common stock for shares that are more widely held and actively traded.

*Tax Considerations* the acquisition of Renasant common stock will be tax-free to Capital's stockholders, except to the extent of any cash received.

*Effect on Employees* the anticipated impact of the proposed merger on Capital's employees and Renasant's willingness and ability to retain key Capital management personnel after the merger.

*Opinion of Financial Advisor* the opinion of Hovde Financial that based on the assumptions and qualifications stated in its opinion letter dated February 5, 2007, a copy of which is attached to this proxy statement/prospectus as Annex B, the total transaction consideration to be received by Capital's stockholders in the merger is fair from a financial point of view.

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*Integration Issues* Renasant's success in integrating prior acquisitions, the likelihood of a successful integration of Capital's business, operations and employees with those of Renasant's and the successful operation of the combined company despite the challenges of such integration, together with the belief that customer disruption in the transition phase would not be significant based on the complementary nature of the markets, lines of business, customer bases, and management and customer service styles of the two companies.

*Regulatory Approval* the likelihood of the proposed merger being approved by applicable regulatory authorities without undue conditions or delay.

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*Product and Services* the enhanced array of products and services and higher lending limit that would be available to Capital's customers as a result of its combination with a larger institution.

*Competition* the increasingly competitive market for financial institutions in Capital's market area.

*Alternatives* the alternatives to the merger represented by Capital's existing strategic plan and the timing and likelihood of success in trying to achieve such plan. Specifically, if the merger opportunity had not been presented, Capital would have continued to grow organically in existing markets or possibly by acquisition of other institutions in attractive new or existing markets. These alternatives would require significant capital, however, and would present a more gradual geographic and product line expansion than is presented by the proposed merger. Additionally, as a stand-alone entity, Capital would face increased regulatory compliance costs beginning in 2007 as a result of the testing, attestation regarding its internal controls under Section 404 of the Sarbanes-Oxley Act, as well as other ongoing regulatory compliance activities.

In the course of its deliberations regarding the merger, Capital's board also considered the following information, which the board determined did not outweigh the benefits to Capital and its stockholders expected to be generated by the merger:

*Value of the Stock Consideration Unknown Prior to Closing* because the exchange ratio is fixed and the market price of Renasant's common stock will fluctuate until the closing of the merger, Capital's stockholders cannot be sure of the exact value of the stock consideration, if any, that they will receive in the merger for their shares of Capital common stock.

*Business Interruption* the possible disruption to Capital's business that may result between the announcement and closing of the merger and the resulting distraction of management's attention from day-to-day operations.

*Integration Issues* the difficulty inherent in integrating two businesses and the risk that the cost efficiencies, synergies and other benefits expected to be obtained in the merger may not be fully realized.

*Operational Restrictions* the restrictions contained in the merger agreement on the operation of Capital's business during the period between the signing of the merger agreement and the closing of the merger. See The Merger Agreement Covenants and Agreements.

*Termination, No-Approval and Break-Up Fees* in certain circumstances where the merger agreement is terminated following Capital's receipt of a superior acquisition proposal prior to the consummation of the merger, Capital may be required to pay a break-up fee of \$5,000,000. See The Merger Agreement Termination Fee.

*Risk of Termination* the possibility that the merger might not be completed and the effect of the resulting public announcement of the termination of the merger agreement on, among other things, the market price of the Capital common stock and Capital's operating results, particularly in light of the costs incurred in connection with the transaction.

*Payments to Management* the \$ and \$ payments that Messrs. Hart and Gregory will receive, respectively, under the terms of their termination and release agreements upon consummation of the merger.

*Other Matters* other matters described in the sections entitled Risk Factors and The Merger Interests of Certain Persons in the Merger. The foregoing discussion of the information considered by Capital's board of directors is not intended to be exhaustive, but includes all of the material factors considered by the board. In reaching its determination to approve and recommend the merger, the board did not assign any relative or specific weights to the factors considered in reaching that determination and individual directors may have given differing weights to

different

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factors. Given the above, the board determined that the merger agreement is in the best interests of Capital and its stockholders and unanimously approved the merger.

**FOR THE REASONS SET FORTH ABOVE, THE CAPITAL BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT CAPITAL STOCKHOLDERS VOTE FOR THE APPROVAL AND ADOPTION OF THE MERGER AGREEMENT, THE RELATED ARTICLES OF MERGER AND THE MERGER.**

### ***Renasant's Reasons for the Merger***

On February 1, 2007, Renasant's board of directors approved the merger agreement, the merger and the other transactions contemplated by those agreements. In connection with its approval of the merger, Renasant's board of directors recognized that:

the merger will expand Renasant's business into the demographically attractive markets of the Nashville-Davidson-Murfreesboro, Tennessee Metropolitan Statistical Area;

the merger will increase Renasant's core deposit base, an important funding source;

the merger will provide Renasant with an experienced management team and quality bank branches in Tennessee;

the merger will provide Renasant with the opportunity to sell Renasant's broad array of products to Capital's client base; and

the merger is expected to be accretive to Renasant's earnings per share within 24 months following the completion of the merger. The Renasant board of directors also considered the following risks associated with the merger in connection with its deliberations of the proposed transaction:

the challenges of integrating Capital's businesses, operations and workforce with those of Renasant;

the increased exposure to the highly-competitive Nashville-Davidson-Murfreesboro, Tennessee Metropolitan Statistical Area markets and the possible effects on Renasant's deposit pricing resulting from such competition; and

whether or not Renasant would be able to retain key management of Capital.

The foregoing discussion of the factors considered by the board of directors is not intended to be exhaustive, but, rather, includes all principal factors considered by the board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The board of directors considered all these factors as a whole, and overall considered them to be favorable to, and to support, its determination.

### ***Opinion of Hovde Financial, LLC***

Hovde Financial has delivered to the board of directors of Capital its opinion that, based upon and subject to the various considerations set forth in its written opinion dated February 5, 2007, the total transaction consideration to be paid to the shareholders of Capital is fair from a financial point of view as of such date. In requesting Hovde Financial's advice and opinion, no limitations were imposed by Capital upon Hovde Financial with respect to the investigations made or procedures followed by it in rendering its opinion. **The full text of the opinion of Hovde Financial,**



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**dated February 5, 2007, which describes the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached hereto as Annex B. The shareholders of Capital should read this opinion in its entirety.**

Hovde Financial is a nationally recognized investment banking firm and, as part of its investment banking business, is continually engaged in the valuation of financial institutions in connection with mergers and acquisitions, private placements and valuations for other purposes. As a specialist in securities of financial

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institutions, Hovde Financial has experience in, and knowledge of, banks, thrifts and bank and thrift holding companies. The board of directors of Capital selected Hovde Financial to act as its financial advisor in connection with the merger on the basis of the firm's reputation and expertise in transactions such as the merger.

Hovde Financial will receive a fee contingent upon the completion of the merger for services rendered in connection with advising Capital regarding the merger, including the fairness opinion and financial advisory services provided to Capital. As of the date of the initial fairness opinion, that fee would have been approximately \$1.5 million, and Hovde Financial will receive substantially all of that fee upon the close of the transaction.

**Hovde Financial's opinion is directed only to the fairness, from a financial point of view, of the total transaction consideration, and, as such, does not constitute a recommendation to any shareholder of Capital as to how the shareholder should vote at the Capital shareholder meeting. The summary of the opinion of Hovde Financial set forth in this joint statement/prospectus is qualified in its entirety by reference to the full text of the opinion.**

The following is a summary of the analyses performed by Hovde Financial in connection with its fairness opinion. Certain of these analyses were confirmed in a presentation to the board of directors of Capital by Hovde Financial. The summary set forth below does not purport to be a complete description of the analyses performed by Hovde Financial in rendering its opinion or the presentation delivered by Hovde Financial to the board of directors of Capital, but it does summarize all of the material analyses performed and presented by Hovde Financial.

The preparations of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances. In arriving at its opinion, Hovde Financial did not attribute any particular weight to any analysis and factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Hovde Financial believes that its analyses and the following summary must be considered as a whole and that selecting portions of its analyses, without considering all factors and analyses, could create an incomplete view of the process underlying the analyses set forth in its report to the board of directors of Capital and its fairness opinion.

In performing its analyses, Hovde Financial made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Capital and Renasant. The analyses performed by Hovde Financial are not necessarily indicative of actual value or actual future results, which may be significantly more or less favorable than suggested by such analyses. Such analyses were prepared solely as part of Hovde Financial's analysis of the fairness of the transaction consideration, from a financial point of view, to the shareholders of Capital. The analyses do not purport to be an appraisal or to reflect the prices at which a company might actually be sold or the prices at which any securities may trade at the present time or at any time in the future. Hovde Financial's opinion does not address the relative merits of the merger as compared to any other business combination in which Capital might engage. In addition, as described above, Hovde Financial's opinion to the board of directors of Capital was one of many factors taken into consideration by the board of directors of Capital in making its determination to approve the merger agreement.

During the course of its engagement, and as a basis for arriving at its opinion, Hovde Financial reviewed and analyzed material bearing upon the financial and operational conditions of Capital and Renasant and material prepared in connection with the merger, including, among other things, the following.

the merger agreement;

certain historical publicly available information concerning Capital and Renasant;

certain internal financial statements and other financial and operating data concerning Capital and Renasant;

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certain financial projections prepared by the managements of Capital and Renasant;

certain other information provided to Hovde Financial by members of the senior managements of Capital and Renasant for the purpose of reviewing the future prospects of Capital and Renasant, including financial forecasts related to the respective businesses, earnings, assets, liabilities and the amount and timing of cost savings expected to be achieved as a result of the merger;

Historical market prices and trading volumes for Renasant common stock;

The nature and terms of recent merger and acquisition transactions to the extent publicly available, involving banks, thrifts and bank and thrift holding companies that we considered relevant;

The pro forma ownership of Renasant's common stock by the shareholders of Capital relative to the pro forma contribution of Capital's assets, liabilities, equity and earnings to the combined company;

The pro forma impact of the merger on the combined company's earnings per share, consolidated capitalization and financial ratios; and

Such other information and factors as it deemed appropriate.

Hovde Financial also took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its knowledge of the commercial banking industry and its general experience in securities valuations.

In rendering its opinion, Hovde Financial assumed, without independent verification, the accuracy and completeness of the financial and other information and relied upon the accuracy of the representations of the parties contained in the merger agreement. Hovde Financial also assumed that the financial forecasts furnished to or discussed with Hovde Financial by Capital and Renasant were reasonably prepared and reflected the best currently available estimates and judgments of senior management of Capital and Renasant, as to the future financial performance of Capital, Renasant, or the combined company, as the case may be. Hovde Financial has not made any independent evaluation or appraisal of any properties, assets or liabilities of Capital or Renasant. Hovde Financial assumed and relied upon the accuracy and completeness of the publicly available and other non-public financial information provided to it by Capital and Renasant, relied upon the representations and warranties of Capital and Renasant made pursuant to the merger agreement, and did not independently attempt to verify any of such information.

*Analysis of Selected Mergers.* As parts of its analysis, Hovde Financial reviewed three groups of comparable merger transactions. The first peer group included transactions which have occurred since January 1, 2006, that involved target banks in the entire United States that had total assets between \$300 million and \$600 million and a return on average assets between .50% and 1.25% (the Nationwide Merger Group). This Nationwide Merger Group consisted of the following 16 transactions:

**Buyer**

UCBH Holdings Inc.  
 Central Bancompany  
 Banner Corp. (WA)  
 U.S. Bancorp (MN)  
 United Community Banks Inc. (GA)  
 Bancshares of Florida Inc. (FL)  
 Industrial Bank of Taiwan  
 National Mercantile Bancorp (CA)  
 Castle Creek Capital III LLC (CA)  
 Glacier Bancorp Inc. (MT)  
 Commerce Bankshares Corp. (MD)

**Seller**

CAB Holdings LLC  
 21<sup>st</sup> Century Finl Svcs Co. (OK)  
 F&M Bank (WA)  
 United Financial Corp. (MT)  
 Southern Bancorp Inc. (GA)  
 Old Florida Bankshares Inc. (FL)  
 Evertrust Bank (CA)  
 FCB Bancorp (CA)  
 BB&T Bancshares Corp. (IL)  
 Citizens Development Co. (MT)  
 West Pointe Bancorp Inc. (IL)

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Mercantile Bankshares Corp. (MD)  
National Bancshares Inc. (IA)  
Banc Corp (AL)  
Cathay General Bancorp Inc. (CA)  
Midwest Banc Holdings Inc. (IL)

James Monroe Bancorp Inc. (VA)  
Metrocorp Inc. (IL)  
Kensington Bankshares Inc. (FL)  
Great Eastern Bank (NY)  
Royal American Corporation (IL)

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Hovde Financial then reviewed comparable mergers involving banks in the Southeast United States that had total assets between \$300 million and \$700 million that have sold since January 1, 2005 (the Southeast Merger Group). This Southeast Merger Group consisted of the following 23 transactions:

**Buyer**

Banco Sabadel SA  
 Castle Creek Capital LLC (CA)  
 Superior Bancorp (AL)  
 UCBH Holdings Inc. (CA)  
 Park National Corp. (OH)  
 United Community Bank Inc. (GA)  
 Bancshares of Florida Inc. (FL)  
 First Charter Corp. (NC)  
 Alabama National BanCorp. (MD)  
 Banc Corp. (AL)  
 Mercantile Bankshares Corp. (MD)  
 Banc Corp. (AL)  
 BB&T Corp. (NC)  
 Seacost Banking Corp. of FL (FL)  
 Synovus Financial Corp. (GA)  
 Pinnacle Financial Partners (TN)  
 FNB Corp. (NC)  
 Synovus Financial Corp. (GA)  
 Whitney Holding Corp. (LA)  
 Commerce Bancorp Inc. (NJ)  
 Capital Bank Corp. (NC)  
 FLAG Financial Corp. (GA)  
 First Citizens Bancorp. (SC)

Hovde Financial also reviewed comparable mergers involving select banks headquartered in Tennessee announced since January 1, 2002 (the Tennessee Select Merger Group). This Tennessee Select Merger Group consisted of the following 7 transactions:

**Buyer**

Greene County Bancshares Inc. (TN)  
 BB&T Corp. (NC)  
 Pinnacle Financial Partners (TN)  
 BancorpSouth Inc. (MS)  
 Peoples Holding Co. (MS) (now Renasant Corporation)  
 Synovus Financial Corp. (GA)  
 Fifth Third Bancorp (OH)

**Seller**

Transatlantic Holding Corp (FL)  
 BankFirst Bancorp Inc. (FL)  
 People's Community Bancshares (FL)  
 Summit Bank Corp. (GA)  
 Vision Bancshares Inc. (FL)  
 Southern Bancorp Inc. (GA)  
 Old Florida Bankshares (FL)  
 GBC Bancorp Inc. (GA)  
 PB Financial Services Corp. (GA)  
 Community Bancshares Inc. (AL)  
 James Monroe Bancorp Inc. (VA)  
 Kensington Bankshares Inc. (FL)  
 First Citizens Bancorp (TN)  
 Big Lake Financial Corporation (FL)  
 Banking Corporation of Florida (FL)  
 Cavalry Bancorp Inc. (TN)  
 Integrity Financial Corp (NC)  
 Riverside Bancshares Inc. (GA)  
 First National Bancshares Inc. (FL)  
 Palm Beach Country Bank (FL)  
 1<sup>st</sup> State Bancorp Inc. (NC)  
 First Capital Bancorp Inc. (GA)  
 Summit Financial Corp. (SC)

**Seller**

Civitas BankGroup (TN)  
 First Citizens Bancorp (TN)  
 Cavalry Bancorp Inc. (TN)  
 Premier Bancorp Inc. (TN)  
 Renasant Bancshares Inc. (TN)  
 Trust One Bank (TN)  
 Franklin Financial Corp. (TN)

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Hovde Financial calculated the medians and averages of the following relevant transaction ratios in the Nationwide Merger Group, the Southeast Merger Group and the Tennessee Select Merger Group: the percentage of the offer value to the acquired company's total assets, the multiple of the offer value to the acquired company's tangible book value; the multiple of the offer value to the acquired company's earnings for the twelve months preceding the announcement date of the transaction; and the tangible book value premium to core deposits. Hovde Financial compared these multiples with the corresponding multiples for the merger, valuing the total consideration that would be received pursuant to the merger agreement at \$35.72 per Capital diluted share. In calculating the multiples for the merger, Hovde Financial used Capital's earnings for the twelve months ended December 31, 2006, and Capital's tangible book value per share, total assets, and total deposits as of December 31, 2006. The results of this analysis are as follows:

	Offer Value to			Ratio of Tangible Book Value Premium to Core Deposits  (%)
	Total Assets (%)	Tangible Book Value (x)	12 months Preceding Earnings (x)	
Capital	23.9	3.86	32.3	36.8
Nationwide Merger Group average	22.9	2.80	24.4	24.9
Southeast Merger Group average	25.4	3.16	24.4	27.9
Tennessee Select Group average	25.7	3.66	24.7	30.1

**Discounted Cash Flow Analysis.** Hovde Financial estimated the present value of all shares of Capital common stock by estimating the value of Capital's estimated future earnings stream beginning in 2007. Reflecting Capital internal projections and Hovde Financial estimates, Hovde Financial assumed net income in 2007, 2008, 2009, 2010, and 2011 of \$5.500 million, \$6.850 million, \$7.854 million, \$9.149 million, and \$10.358 million, respectively. The present value of these earnings was calculated based on a range of discount rates of 11%, 12%, 13%, 14%, and 15%. In order to derive the terminal value of Capital earnings stream beyond 2011, Hovde Financial assumed a terminal value based on a multiple of between 20x and 24x applied to free cash flows in 2011. The present value of this terminal amount was then calculated based on the range of discount rates mentioned above. These rates and values were chosen to reflect different assumptions regarding the required rates of return of holders or prospective buyers of Capital common stock. This analysis and its underlying assumptions yielded a range of per share values for Capital stock of approximately \$28.07 (at a 15.0% discount rate and a 20x terminal multiple) to \$39.87 (at a 11% discount rate and a 24x terminal multiple). The average per share value of the range was \$33.70 (at a 13% discount rate and a 22.1x terminal multiple) compared to total per share merger consideration of \$35.72.

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**Premium-to-Market Analysis.** In addition, Hovde Financial reviewed a group of comparable merger transactions involving publicly traded target banks. The peer group included transactions which have occurred since January 1, 2005, that involved target banks in the entire United States that had total assets between \$400 million and \$600 million (the Publicly-Traded Merger Group). This Publicly-Traded Merger Group consisted of the following 18 transactions:

**Buyer**

Chittenden Corp. (VT)  
 U.S. Bancorp (MN)  
 City National Corp. (CA)  
 Old National Bancorp (IN)  
 Provident Financial Services (NJ)  
 First State Bancorp (NM)  
 Conestoga Bancorp Inc. (PA)  
 Community Bancorp (NV)  
 National Mercantile Bancorp (CA)  
 First Charter Corp. (NC)  
 First Republic Bank (CA)  
 Banc Corp. (AL)  
 Commerce Bancshares Inc. (MO)  
 Mercantile Bankshares Corp. (MD)  
 Castle Creek Capital III LLC CA)  
 New York Community Bancorp (NY)  
 NBT Bancorp Inc. (NY)  
 Fulton Financial Corp. (PA)

**Seller**

Merrill Merchants Bancshares (ME)  
 United Financial Corp. (MT)  
 Business bank Corporation (NV)  
 St. Joseph Capital Corp. (IN)  
 First Morris bank & Trust (NJ)  
 Front Range Capital Corp. (CO)  
 PSB Bancorp Inc. (PA)  
 Valley Bancorp (NV)  
 FCB Bancorp (CA)  
 GBC Bancorp Inc. (GA)  
 BWC Financial Corp. (CA)  
 Community Bancshares Inc. (AL)  
 West Pointe Bancorp Inc. (IL)  
 James Monroe Bancorp Inc.  
 LDF Incorporated (IL)  
 Long Island Financial Corp. (NY)  
 CNB Bancorp Inc. (NY)  
 SVB Financial Services Inc. (NJ)

Hovde Financial calculated the averages of the premium-to-market percentages of these transactions and compared them with the corresponding premium-to-market for the merger. The Publicly-Traded Merger Group yielded a premium-to-market average of 24.3%. The premium-to-market Capital is receiving is 38.7% based on Capital Bancorp, Inc.'s February 1, 2007 stock price at closing.

**Comparable Company Analysis.** Using publicly available information, Hovde Financial compared the stock market valuation of Renasant with the following other publicly traded banking institutions that were hypothetical potential buyers:

<b>Institution Name</b>	<b>Ticker</b>	<b>State</b>
BancorpSouth, Inc.	BXS	MS
BB&T Corporation	BBT	NC
Fifth Third Bancorp	&nb	